

FINANCIAL TIMES

Weekend FT

The brighter lights of the big city

SECTION II

Lessons from a year of skiing

The FT's 12-part series continues on Monday Part Two: opportunity knocks FT Mastering Enterprise

World Business Newspaper http://www.ft.com

WEEKEND NOVEMBER 23/NOVEMBER 24 1996



designer days, fast cars and Cuban cigars... in the 80-page Christmas issue of How To Spend It colour magazine

Thyssen to quit three core areas in restructuring

German steel, engineering and trading company Thyssen is to withdraw from three of its traditional businesses - long steel products, defence equipment, and coal and oil trading - as part of a large-scale restructuring.

Japanese banks return to profits Japan's 10 leading banks signalled they had put the biggest of their bad debts behind them, allowing them to return to profit in the first half. Page 5

FT-SE climbs back through 4,000

The UK stock market's reluctance to follow Wall Street's recent lead, and its ability to ignore the strong gains in gilts, was reversed yesterday with a sudden burst of institutional buying.

Kazakhstan accused of censorship: Independent broadcasters in Kazakhstan accused their government of suppressing dissent as electricity was cut off to one of the country's more vocal broadcasting companies. Page 3

UN protest at Israel's use of force: The United Nations Committee against Torture is to protest to Israel about a ruling by the country's High Court that sanctioned the use of "physical pressure" against a Palestinian detainee. Page 3

Bid to end French truckers' dispute: French truck drivers and their employers resumed talks to defuse the dispute over pay and working conditions. Page 2

Russia claims Belarus compromise: Russia claimed success in defusing the political crisis in Belarus, but many Belarusian deputies labelled the agreement a betrayal of their struggle against President Alexander Lukashenko's increasingly authoritarian regime. Page 2

News Corp sells Fairfax stake: News Corporation, the media and entertainment group headed by Rupert Murdoch, said it had sold its small stake in John Fairfax, the Australian newspaper publisher which has been the focus of bid speculation. Page 5

Sega resumes profits growth: Strong sales of software for the Saturn video games system helped Japanese electronic games and amusement park company Sega to return to profits growth during the first half. Page 5

Award for FT writer: Anne Spackman won the title of Laing Homes Residential Property Journalist of the Year for her reporting on the UK and international housing markets in the Weekend FT.

FT.com: the FT web site provides online news, comment and analysis at http://www.ft.com

Companies in this issue

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Prodi forecasts imminent re-entry of currency after four-year break

Lira set for all-clear to rejoin the ERM

By Robert Graham in Rome and Richard Adams in London

Approval for the Italian lira to re-enter the European exchange rate mechanism is expected to be given today at a meeting in Brussels of the European monetary committee.



More than 150,000 engineering workers demonstrating in Rome yesterday in a wages row

Analysis in London said the lira's re-entry might be accompanied by interest rate cuts by the Bank of Italy, which would probably boost bond prices and remove speculative pressure on the lira.

Ministers halt plan to open EU car spares market

By Emma Tucker in Brussels

Europe's barrier-free internal market will suffer a setback next week when European Union industry ministers abandon ambitious plans to open the market for car spare parts.

Ministers, meeting in Brussels, are expected to vote in favour of maintaining barriers to independent spare parts dealers selling products such as bonnets, windscreens, wing mirrors and headlamps, across borders.

The European Commission, which made the original proposals, is furious that the opportunity to create a single market has been missed. It believes powerful car lobbies have put pressure on governments to allow them to maintain a grip on this lucrative market.

In a move that will disappoint independent dealers, Britain, home to the biggest independent spare parts industry and the most vociferous champion of breaking down barriers, is expected to switch position and vote in favour of leaving barriers in place.

UK officials are understood to have concluded that there is little prospect of overcoming entrenched opposition in countries where carmakers have very strong lobbying muscle. Retaining the status quo will diminish export prospects for UK-based parts makers.

The vote will mean that "once again EU institutions will have balked in their attempts to open up the car market to competition", said Mr Rupert Hughes of the European Campaign for the Freedom of the Automotive Parts and Repair Marketing (Ecar).

The clause on car spare parts forms part of a wider draft EU law aimed at har-

ABN Amro expands in US Midwest

By Gordon Cram in Amsterdam and George Graham in London

ABN Amro, the leading Dutch banking group, is to pay \$1.95bn to expand in the US Midwest. This will be its biggest acquisition to date.

Standard Federal Bancorporation of Michigan, the region's largest savings bank, yesterday agreed a takeover that will add 182 branches and \$15.5bn in assets to the 231 outlets and \$112bn in assets which form the existing US network of ABN Amro.

The Dutch group is the largest foreign bank in North America, and sees the Midwest as its second home market.

Dutch banking group will pay \$1.95bn to take over Michigan's largest savings bank

It has concentrated on the Chicago area, one of the most fragmented banking markets in the US, where its LaSalle subsidiary was already the largest retail bank after First Chicago NBD.

Mr Jan Kalff, chairman, said the region offered a much more promising environment than the New York-Long Island area, where ABN Amro's other US retail bank, European American, is based.

The Midwest is not as competitive as the New York area, where all the big boys are. In the Midwest, we are one of the big boys," Mr Kalff said.

issue of preference shares by its North American holding company.

The New York-listed Standard Federal, for which ABN Amro is offering \$59 a share, put itself up for sale earlier this year. During its approach to several potential bidders, its shares rose from \$40 to close on Thursday at \$58. Yesterday they fell back on news of the deal to trade at around 56% in late afternoon.

Standard Federal had net profits of \$119.5m in 1995, but these are projected to rise to some \$140m this year. Shareholders' funds were given as some \$900m.

Continued on Page 24

Sports companies reach accord on child labour

By Patrick Harveron in London

World sports goods companies yesterday reached an agreement with Pakistan officials to eliminate the employment of children in the manufacture of footballs.

The meeting of the World Federation of the Sporting Goods Industry also agreed to draw up, within the next three months, a code of practice aimed at eradicating the exploitation of child labour throughout the industry.

About 80 per cent of the world's stitched-leather footballs are estimated to be made in the north-eastern Pakistani city of Sialkot, where local manufacturers supply all of

the world's biggest sports goods companies.

This summer, Fifa, football's world governing body, announced plans to tackle the child labour exploitation after it emerged that souvenir balls for the Euro 96 championship had been produced by child workers in Sialkot.

Mr Stephen Rubin, the WFSGI president and chairman of Pentland, the UK sports goods company, said the federation had agreed with the Sialkot Chamber of Commerce and Industry and the All Pakistan Sporting Goods Association to find an independent body to monitor the implementation of the new programme to eliminate child labour. After a short consulta-

tion process, the code of practice on child labour would be introduced at a full meeting of the WFSGI on February 14.

"These announcements... demonstrate our determination to end child labour in the soccer ball industry in a responsible manner," said Mr Rubin.

This week's two-day gathering in London of WFSGI members, including globally active companies such as Nike and Reebok of the US and Adidas of Germany, was called by Mr Rubin in response to growing criticism from child welfare pressure groups and trade union organisations.

The industry has also been

Table with columns: STOCK MARKET INDICES, US LUNCHTIME RATES, LONDON MONEY, GOLD, DOLLAR, and STERLING. Includes various financial data points like FTSE 100, Federal Funds, and exchange rates.

Table with columns: CONTENTS. Lists sections like News, Letters, Foreign Exchanges, Recent Issues, etc.

Mikimoto advertisement featuring a large image of a pearl necklace and text: SOUTH SEA PEARL PENDANT WITH DIAMOND FROM 11.7.22, FINEST SOUTH SEA PEARL STRAND FROM 10.0.72, WHITE SOUTH SEA PEARL STRAND FROM 10.0.72, FINEST SOUTH SEA PEARL AND DEVIANT DROP CARRIERS FROM 11.7.22, SOUTH SEA PEARL CARRIERS FROM 11.7.22. MIKIMOTO. 71, Leadenhall Street, London, W1P 5BU. Tel: 0171 639 5500.

Russia takes credit for Belarus compromise

By Matthew Kaminski in Kiev

Russia yesterday claimed success in cooling the political crisis in neighbouring Belarus after brokering a deal between the parliament and president of the former Soviet state.

The easing of tension was accompanied by a Belarusian claim that the nuclear missiles left on its territory when the Soviet Union broke up had all been transferred to Russia ahead of a deadline set for the end of December.

Up to 18 SS-25 nuclear missiles were believed to be in Belarus and President Alexander Lukashenko had threatened to halt their

removal if Nato expanded eastward.

However, the political compromise looked fragile last night as many Belarusian deputies labelled the agreement a betrayal of their struggle against Mr Lukashenko's increasingly authoritarian regime.

Mr Lukashenko, who wants his demand for broader powers endorsed in a controversial referendum tomorrow, said parliament must adopt by today, with no amendments, yesterday's accord, which he called "final".

The deal may be implemented without the two-thirds support of deputies.

The agreement between Mr Lukashenko and the parliamentary

speaker, Mr Semyon Sharetsky, allows tomorrow's vote on a new draft constitution to go ahead but makes its result consultative. Parliament had resisted the referendum, and has since added questions of its own, including a proposal to abolish the presidency.

Within three weeks of the plebiscite, a constitutional committee of 50 representatives each from parliament and the presidential administration and chaired by Mr Lukashenko will draw up a new constitution to replace the 1994 document.

Parliament will rescind its impeachment motion against the president, who will drop his decree that the referendum, defying par-

liament and the highest court, should be binding.

Mr Sharetsky praised the Russian mediation, which deputies viewed as their only recourse against a possible dissolution by the president. "No one won and no one lost," he said.

But many deputies, who have been occupying parliament for a week to thwart an attempt by Mr Lukashenko to dissolve the assembly, attacked the accord for legitimising the president's attempts to change the constitution and undermine democracy.

Mr Victor Goochar, the country's highest electoral official who was sacked by the president last week after denouncing the referendum,

said the accord was "just a cover for unlawful actions by Lukashenko".

The Kremlin had expressed concern that the crisis in Belarus could turn violent or establish a potentially embarrassing dictatorship by Mr Lukashenko.

Mr Victor Chernomyrdin, Russian premier, started an impromptu visit to Minsk, the Belarusian capital, on Thursday night and initiated the negotiations that produced yesterday's deal.

Russian President Boris Yeltsin, conversing at a sanatorium outside Moscow, declared the crisis "over" in his first television interview since heart surgery earlier this month.

Dispute topples Estonian coalition

By Matthew Kaminski

Estonia's coalition government collapsed yesterday when the smaller of the two ruling parties quit. The move had been expected after the Reform party's six ministers left the 18-member cabinet on Wednesday.

The political crisis in the Baltic state was sparked by revelations this week that the Coalition party, the larger partner, signed a co-operation pact with the Centre party, without informing the Reform party.

Mr Tiit Vähi, prime minister, of the Coalition party, yesterday began casting around for a new cabinet. Although he is most likely to draw on the Centre party, Mr Vähi could bring in neutral ministers.

Mr Riivo Sinijärvi was named yesterday as acting foreign minister, to replace the Reform party leader, Mr Siim Kallas. The prime minister has a month to fill the other five posts.

Observers in Tallinn, the capital, believe an election could be held early next year. Coalition can count on 40 MPs - 19 of its own and 21 from smaller parties - and Centre nine in the 100-seat chamber.

The political uncertainty is compounded by lax voting discipline in parliament as personalities and issues dominate politics in the small state of 1.5m people.

Mr Kallas, a respected former central bank chairman, said Reform would join the opposition and press for new elections. Earlier he had said the secret co-operation pact undermined his party's confidence in Mr Vähi.

Mr Kallas warned that Centre's softer approach to economic reform and calls for improved relations with Russia might undermine moves towards integration with Europe. But other nationalist believe Centre might be better for domestic harmony in Estonia, where there are 600,000 Russians.

The party is led by Mr Edgar Savisaar, the former interior minister who was at the centre of a telephone wiretapping scandal that toppled a Centre-Coalition government last year.

The government's collapse comes as Estonia pushes ahead with an ambitious privatisation of utilities and transport infrastructure. Analysts fear that reform momentum could be lost amid the political mayhem. That western diplomats do not expect an immediate change in the economic policy that has made Estonia the former Soviet Union's success story. "The government fell for strictly domestic political reasons," one said.

Government steps in after five days of disruption over pay and terms dispute

Talks resume as truckers blockade French roads

By David Buchan in Paris

French truck drivers and their employers last night resumed negotiations to calm the escalating dispute over pay and working conditions that has seen lorries blocking roads, oil refineries and petrol depots around the country for the past five days.

The government yesterday appointed Mr Robert Cros, a professional labour mediator, to "organise" talks in Paris between leaders of 35,000 road haulage companies and their 200,000 employees.

The drivers' main demands are for higher wage rates, shorter hours, pay for time spent waiting rather than driving, and retirement at 55 rather than the

national norm of 60.

The drivers yesterday claimed 50,000 vehicles were involved in the blockades. These have been most widespread in the south-east towards Lyons, and the south-west around Bordeaux, where the prime minister, Mr Alain Juppé, is mayor.

In the north the main A1 Lille-Paris motorway was cut just outside Lille, the city of Caen in Normandy was tightly blockaded, and traffic from Marseilles' large petrol refineries was halted.

So far the truckers have largely spared Paris. By concentrating action along international transit routes they are holding up a large number of foreign drivers, whose vehicles are stuck behind French ones.



Impasse: Lorry drivers blocking a roundabout near Caen in Normandy yesterday. Oil refineries and petrol stations have been targeted in the five-day protest.

The government argued last night that the conflict was essentially a private sector dispute, and its own role was mainly to organise negotiations in the fragmented industry and to press union leaders to keep control of their members on the road blockades.

Four years ago, truckers' protests against new driving licence penalties spiralled into a paralysing series of wildcat road blockades. But the blockades' knock-on effect on petrol supplies in particular and the economy in general have drawn the government further into the dispute.

On Wednesday Mr Bernard Pons, the transport minister, appeared to hint that the retirement age for truckers might be lowered.

However, government officials said yesterday this could probably be done through an existing scheme that provides haulage companies with money to allow

older drivers to work half-time for nearly full pay, provided they hire new people.

The officials said this should be possible, because road haulage is one of the rare industries in France where employment is actually increasing.

The government has also hinted to haulage companies that it may lower their social security charges, thereby leaving them some cash to pay truckers' "waiting hours".

Kohl links his political fate to a united Europe

By Ralph Atkins and Andrew Fisher in Frankfurt

Mr Helmut Kohl, German chancellor, yesterday linked his political future to the success of European integration - but sought to assure sceptical voters that he would only surrender the D-Mark for a single currency that was at least as firm.

Speaking at the European Banking Congress in Frankfurt, Mr Kohl insisted the Maastricht criteria for economic and monetary union would have to be adhered to by participating countries in the long as well as short term.

"We want a hard currency. No more and no less," he said.

He went further than before in staking his political future to the success of European integration, which he reiterated as essential for ensuring peace on the continent. "The construction of a European house is a vital issue. My political fate is associated with it."

In an aside aimed at the UK, he said some countries would wait and see whether the Germans are becoming a nation of shareholders.

His comments increased speculation that Mr Kohl - who recently became Germany's longest-serving post-war chancellor - would run for office again in the 1998 federal elections. He acknowledged that many Germans were suspicious of plans for a single currency but said he would win over voters with "the facts".

'Construction of a European house is a vital issue'

He nevertheless warned that Germany faced considerable "homework" in reforming its tax and pension systems and improving competitiveness. Even the 2.5 per cent economic growth expected next year might not be sufficient to reduce unemployment.

"We have to change our thinking," he said. Germany lagged behind other nations in deregulation but the Deutsche Telekom share sale suggested that "perhaps the Germans are becoming a nation of shareholders". Reform would be essential even without Maastricht, Mr

Kohl said. But integration was an important factor in the competitiveness of Europe as a business location and it was important not to create a fortress Europe. "Open doors and windows create a draught which is good for health. A hot room might be comfortable but you fall asleep."

Drawing attention to possible difficulties over the EMU was set up, Mr Hans Tietmeyer, Bundesbank president, said countries which stayed outside should be obliged to join the successor to the European exchange rate mechanism.

He expressed regret that "the way things are going, participation will presumably be on a voluntary basis only".

Most central bank governors on the council of the European Monetary Institute, forerunner to the planned European central bank, felt the same, he said. All countries wanted to strengthen convergence, before and after EMU. "Obligatory membership of ERM Two [the exchange rate link between the euro and non-EMU currencies] could reinforce that signal". Share-owning democracy, Page 9

Poles queue for sell-off stakes

By Christopher Bobinski in Warsaw

Thousands queued outside branches of Poland's biggest savings bank yesterday in a last-minute attempt to take part in the government's mass privatisation programme.

Poles have had 12 months to collect vouchers entitling them to a stake in 512 companies being privatised. "I just didn't seem to have had enough time over the last year," said a man who described himself as an entrepreneur, explaining his failure to pick up a privatisation voucher during the last 12 months.

He queued for five hours at the PKO BP bank for the document, which cost him 20 zlotys (\$7). This will entitle him to a share in each of the 15 investment funds to which the 512 companies were allocated a year ago. Yesterday the same bank was offering to buy vouchers for 120 zlotys each and they were trading on the Warsaw stock exchange at 156.5 zlotys.

"I think I'll hang on to my voucher," he said looking forward to next year when the 15 funds, most of which are run by mixed domestic

and foreign-owned management companies, will be floated on the WSE and the vouchers can be exchanged for shares.

According to a poll by the Demoskop organisation half of the 26m adults who have picked up their vouchers have sold them on.

The scheme has not only produced an extra \$175m in revenues but has also become the most thorough census the country has seen - each citizen has had to provide a valid identity document and current address in order to buy the vouchers.

So far around 8m vouchers have been registered with brokers' offices, which is the only way of offering them for sale through the WSE. All the signs are that many vouchers have been consolidated into larger holdings which are poised to win control of the funds once they are listed.

INTERNATIONAL NEWS DIGEST

Athens brokers facing audit

The Athens stock exchange has appointed three international accounting firms to carry out emergency audits of all 64 Greek brokerage houses, as part of efforts to clear up a share-trading scandal that shut the bourse for three days this month. The exchange also said it would invest Dr2bn (\$8.2m) to upgrade its screen-based trading system and ensure that settlement becomes fully automated.

Exchange officials said Ernst & Young, Deloitte & Touche and PricewaterhouseCoopers would complete the audits within three weeks. Ernst & Young was asked to propose measures to improve supervision of the bourse, on the basis of the auditors' reports.

The scandal involved fraudulent trading of shares in Magrizos, a small textile company, by a group of brokerages trying to boost commission income. Because of delays in settlement at the bourse clearing house, the brokerages concerned were able to postpone payments and share deliveries for several weeks. *Kerri Hope, Athens*

300 killed in Burundi church

United Nations human rights officials confirmed yesterday that nearly 300 Burundians who returned from eastern Zaire were massacred last month in a church in western Burundi.

The October 22 slaughter was brought to light by the UN High Commissioner for Refugees but denied by Mr Pascal Firmin Ndimira, Burundi's prime minister. More than 100 others were injured, according to the UN, whose monitors went to the troubled western Cibitoke province to verify details of the massacre with authorities and local people. A UN statement released in Geneva said its observers had "ascertained that on the night of 22/23 October, 288 people were killed in the Murambi church in Buganda commune. A further 110 people were wounded. Of this number, 40 later died of their injuries - making the death toll 328." The attackers, who have not been identified, used guns and hand grenades, the UN said. Burundi is wracked by a civil war between the army, dominated by the minority Tutsis, and Hutu rebels, who have been accused of launching attacks into the country from Zaire. *AFP, Geneva*

Western military commanders preparing an international mission to Zaire will spend the weekend in Stuttgart considering options for dealing with the refugee crisis.

Colombia acts on drug assets

Colombian legislators have passed a draft law allowing confiscation of drug traffickers' assets. If it is approved by parliament next month all assets obtained through past crimes can be confiscated. The legislation has caused deep controversy, and repeatedly could not be discussed because legislators withdrew from debates, leaving the committees without a quorum. Indirect pressures including threats have been reported, apparently from convicted leaders of the Cali drug cartel, whose immense illegal fortunes will be at risk.

Congress has long been reluctant to legislate against the traffickers who have put large amounts of money against election campaigns. Eleven members of Congress are in prison for drugs money offences. The US has threatened economic sanctions if laws are not passed for asset confiscation, increased prison sentences and extradition of serious criminals. *Timothy Ross, Bogota*

Japan's \$1bn for Thailand

Japan is to lend Y118.4bn (\$1.07bn) to Thailand, its largest annual pledge to that country and almost double the amount committed last year.

The funds will be used to help finance rural development and several transport projects, including Bangkok's first subway, a third expressway designed to limit traffic congestion in the capital and a new airport able to serve 80m passengers.

Japan is also lending Y16.9bn to the Kail Gandaki hydro-electric project in Nepal, which is designed to alleviate serious power shortages in Kathmandu. The project is being financed jointly with the Asian Development Bank. *Peter Montagnon, London*

Rumasa trial delayed again

The long-delayed trial of Spanish businessman Mr José María Ruiz-Mateos, left, who was extradited from Germany 11 years ago, has been delayed again after a clash among state prosecutors over whether it should still be held at all. The prosecutor assigned to the Rumasa case last week applied for it to be dropped, arguing that the falsification charges on which the former head of Spain's biggest private conglomerate was extradited no longer constitute a criminal offence under Spain's new penal code. But the director of public prosecutions, in a surprise decision, overruled the prosecutor and said that the trial should go ahead. Mr Ruiz-Mateos, who was originally due to be tried in 1980, faces demands for a 12-year jail sentence and compensation payments to the state of Ptas652bn (\$5bn).

This latest twist in the saga means that the trial, which was to open next week, has been postponed to January 9 - almost 14 years after the wide-ranging business group was seized by the government in order to pre-empt a financial crisis. *David White, Madrid*

Taiwan cuts growth forecast

Taiwan has revised downward its official growth forecast for this year from 5.89 per cent to 5.7 per cent following disappointing growth in the third quarter.

Gross domestic product grew by an annualised 5.61 per cent between July and September, well below the 6.09 per cent target. The agency attributed the lacklustre performance to lower-than-expected growth in the financial and construction industries and weak domestic investment.

The third quarter was an improvement over the first and second quarters, during which growth was 5.12 per cent and 5.42 per cent respectively due to uncertainty over the island's first presidential elections and tensions with China. Economic growth in 1995 was 6 per cent. *Laura Tyson, Taipei*

Germany rejects 'remail' ban

Mr Wolfgang Böttch, Germany's postal minister, yesterday ruled out a ban on "re-mailing", the practice of circumventing high domestic postage rates by sending letters from other countries.

Speaking at a conference of postal users in Frankfurt, Mr Böttch said calls from Post AG, the state-owned mail company, for a ban on re-mailing to be included in a new post law, which is due to be introduced next year, were unjustified.

He said it was impossible to determine whether re-mailing was purely a cost-saving exercise or whether those sending the letters were also printing them abroad, in which case there would be no reason to ban them. *Frederick Stuedemann, Berlin*

The fire goes out of a smelting village

David Owen reports from Riouperoux, as another community loses its main employer

Mr Jean-Noël Guglielmi, second deputy mayor of Riouperoux, stands outside the new village library and looks at the overgrown rock face rising almost sheer behind the Pechiney aluminium factory 30 miles south-east of Grenoble.

"There used to be no plant life over there," says Mr Guglielmi, "and no birds. In 10 years, that's really changed. But people used to say if there was smoke in the valley there was work in the valley."

Soon the wildlife will have more cause to celebrate. Cost cuts by Pechiney, Europe's biggest aluminium maker, means the Riouperoux plant's output of smoke - and metal - is to end.

Riouperoux is Pechiney's only French factory earmarked for closure under a plan to cut costs (excluding raw materials) by a fifth by

the end of 1998.

In the grand scheme of things this little factory, with its four 25-tonne furnaces and its modest output of special alloys for the car industry, will scarcely be missed. But its closure, with the loss of 72 jobs, could make all the difference in the world to Riouperoux, a care-worn, smoke-blackened village of 1,400 people which has suffered years of slow decline. Its population has halved in 40 years. Derelict buildings abound. The prospects of attracting another industrial employer do not look bright.

Communities across France from Provence in the south to Normandy in the north are facing a similarly stark choice because of the threatened disappearance of the *métier* - industrial or agricultural - that has sustained them for decades, or

even centuries. The free market is tough on villages.

Yet Riouperoux appears to have some resources it could better exploit.

For one thing, the Route des Alpes, bisecting the village, is regularly thronged with day trippers and tourists heading for the nearby mountains. Mr Marcel Blanchard, a union representative at the factory, says caustically that all the village gains from this are traffic jams. Nonetheless, Riouperoux, in its beautiful if rugged valley, looks better placed to cash in on tourism than many other hard-up rural communities.

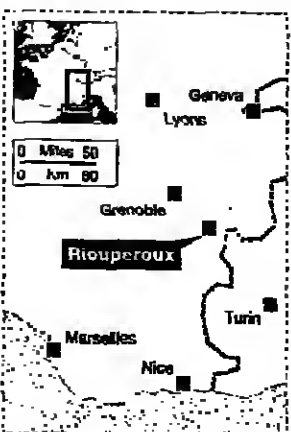
Selling bread in the village's tiny bakery, Mr Jean-Paul Baudin, a stocky man wearing red shorts in spite of the wintry weather, has already cottoned on to the potential. "The factory is not what keeps us busiest," he

says. "It's the tourists."

Mrs Marie Pinel says the reason she closed the only petrol station in the village she ran for more than 35 years was out lack of business, but "because I was working too hard - and we needed to modernise and Total [the petrol company] didn't want to".

Furthermore, the village is within easy commuting distance of a large and reasonably vibrant city: Grenoble. It seems well positioned to attract more than its fair share of yuppies with a taste for rural life and a desire to be within easy range of both the pistes and the city office blocks.

"Riouperoux won't be a dead village, but it will be a dormitory village," says Mr Bernard Grivel-Deillaz, a former paper plant worker serving pastis behind the bar of the Taillefer restaurant.



"The village will still exist, but from an industrial point of view there will be nothing left."

Such new arrivals may not be enough to prevent more tradespeople from leaving. As Mrs Pinel observes: "The people who work in Grenoble don't buy things here."

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Taiwan hit by a tidal wave of gangsterism

A political slaughter has put the growth of crime under the spotlight. Laura Tyson reports

Just days after Mr Liao Cheng-hsu, Taiwan's justice minister, warned the island was perilously close to becoming a "Sicily of the Orient", masked gunmen shot dead a top regional official and eight others in the bloodiest gangland-style execution the country has ever seen.

The assassination of Mr Liu Pang-yu, chief of northern Taoyuan county, and associates as they ate breakfast on Thursday has sparked fears that Taiwan's organised criminal gangs, known as triads or "black societies" in Chinese, are becoming more violent - and more brazen - in their methods.

The cold-blooded slayings, conducted at point-blank range as the victims lay bound and blind-folded on the floor, have shocked Taiwan, a country that has scant history of political violence.

Government leaders condemned the killings and lawmakers expressed outrage. "Taiwan has become the Republic of Crime," quipped Mr Parris Chang, a legislator from the leading opposition Democratic Progressive party, playing on Taiwan's official name, the Republic of China.

A series of gang-related attacks this year, each more violent than the last, suggests the triads are shifting from their customary practices of threats, kidnapping and knife to using guns to carry out their increasingly gory and terminal missions.

The new boldness may be linked to the rising presence of people with mob-related backgrounds in government, both in elected and appointed positions. This phenomenon has accelerated with the advent of democracy in recent years and threatens to undermine the government's authority and its ability to carry out policy.

Last week, Mr Liao called for Taiwan's political system to be purged of organised crime, warning that triads could gain control of two-thirds of county and city councils across the island in polls scheduled for late 1997.

"Unless we increase our vigilance and make effective improvements, I am afraid after next year's elections we are going to become another Sicily," he said in a reference to the Italian island's reputation for Mafia influence.

Without naming names, the justice minister said more than one third of city and county council deputies and up to 10 per cent of elected lawmakers at the national level had links to organised crime or had criminal records. This represents 286 out of 890 council members and as many as 50 of the 490 combined members of the national legislature and national assembly.

The motive for this week's shootings is not known but Mr Liu, a member of the ruling Nationalist party, was no stranger to controversy. In August he was indicted on corruption charges stemming from a land deal and prosecutors had called for a seven-year prison sentence, which was awaiting court judgment. In July 1995 he was charged with forging a masters degree certificate from the University of California, but the case was still under investigation.

The government launched a crackdown on organised crime in August, detaining 275 underworld figures, including officials and elected representatives. Early this month, nearly the entire leadership of a township in Taipei county was arrested for corruption and other crimes.

But at least senior 80 gang figures have fled abroad, mostly to China and Macao, to escape the crackdown, according to police and justice officials who are working to build ties with law enforcement agencies in Hong Kong and Macao.

Co-operative crime-fighting efforts across the Taiwan Strait are also being stepped up. "It should not be too difficult for the mainland Chinese authorities to arrest and deport [Taiwanese gangsters] if they are willing to do so," said Mr Yao Kao-chiao, director-general of the national police.



Demonstrators face police outside the Apec meeting in Manila yesterday. They were later dispersed by a baton-charge.

IT pact opposed at Apec meeting

The US battled to rescue a tariff-busting pact on information technology yesterday, facing rebuffs from Malaysia and other Pacific Rim countries, AP reports from Manila.

Mr Warren Christopher, US secretary of state, made a last-minute pitch, saying Washington wanted leaders of the 18-government Asia-Pacific Economic Co-operation group to call for "swift conclusion" of the pact.

If Apec fails to produce a deal that would cut the price of computers, software and telecommunications products, it will have precious little to show for its week of negotiations and the summit that will cap it on Monday.

Meanwhile, Apec came under another shadow on the security front, when the US warned its diplomats to beware of "possible threats" during the 18-government conference. Mr

Nicholas Burns, State Department spokesman, refused to elaborate. His warning came in a week in which authorities found two bombs in Manila, killed two armed rebels, and struggled to hold back anti-Apec protesters. The Philippines and US are also worried about retaliation for the capture last year of Mr Ramzi Ahmed Yousef, accused of masterminding the World Trade Centre bombing.

Israel's image suffers abroad

By Judy Dempsey in Jerusalem

The United Nations Committee against Torture is to protest to the Israeli government about a ruling by Israel's High Court of Justice that sanctioned the use of "physical pressure" by Shin Bet, the internal security service, against a Palestinian detainee.

The protest coincides with dispatches sent to the Israeli foreign ministry from its embassies indicating a deterioration of Israel's image abroad.

The dispatches, discussed at yesterday's cabinet meeting, and sent from Washington, Paris, Bonn, and Latin American capitals, all generally strike the same chord, government officials said.

Israel's international image is being damaged by human rights violations, expansion of the Jewish settlements in the West Bank and mounting disappointment over unfulfilled promises by Mr Benjamin Netanyahu, the prime minister, to implement the Oslo peace accords and redeploy Israeli troops from the West Bank town of Hebron.

The dispatches refer to the high court ruling last week that rejected a defence appeal to prevent the use of physical force in the interrogation of Mr Mohammed Abad al Haziz Hamadan, a suspected member of the Islamic Jihad, which has carried out attacks in Israel.

They also refer to the negative image caused by a broadcast by Israel television, and transmitted abroad, showing two Israeli policemen hitting and kicking several Palestinian workers in north Jerusalem.

They also refer to the one hour prison sentence and one agora fine - a third of a US cent - passed by a military court on four Israeli soldiers for killing a Palestinian by "not following the guidelines for opening fire". The soldiers belonged to the Duvdvan, an undercover unit. They shot Mr Isad Baran, 35, three years ago at a roadblock. The soldiers pleaded guilty in return for a light sentence.

The dispatches also highlight how the government's Jewish settlement policy is tarnishing Israel's image too. Brewery plant that went flat. Page 9

Radio dissent under pressure in Kazakhstan

By Sander Theonnes in Almaty

Independent broadcasters in Kazakhstan this week accused their government of suppressing dissent as one of the country's more vocal broadcasting companies was forced off the air.

Company M, acclaimed for its broadcasts of BBC radio reports and sharp television news programmes, went silent after officials shut off the electricity supply to its studio.

M had already lost one of its two radio frequencies when the government took seven stations off the air last week; all but M and Totem, another station known for its critical news reports, have been allowed to resume broadcasts. A friendly station now shares its frequency with Totem.

"It was like a police sweep, when everybody gets caught and they let everyone go but the ones they are after," said Mr Sergei Duvanov, M's general director and belligerent moderator of a political television talk show. "Now it's clear. They are after us. It's all politics."

Political or not, the fight for the airwaves comes to a head just as Almaty's array of seven commercial television companies and as many radio stations face growing competition, technical limitations and a legitimate crackdown on the business that made them profitable - video and music piracy.

Those hazards may prove more deadly than government intolerance of dissent, broadcasters predict.

Government officials cited a complaint from air traffic control as a reason for the first shutdowns, arguing

that the stations were interfering with aviation. The airport denied making any complaints.

Even if the independent stations win the battle with the government, however, their victory may be short-lived.

Cut-throat competition has driven down the price of one minute of television advertising to less than \$100. In January the stations will also have to compete with other businesses in a tender for their frequency licences. So far the stations have only had to pay a one-time fee of \$300.

The independent stations owe their popularity and income not to their critical reports but to their broadcasts of the latest pirate videos.

Most Kazakh television viewers have had ample opportunity to learn one English phrase by heart: "If you have rented or purchased this video please call 1-800-NO-COPY." It is a standard request that appears on American promotional videos, which are not for sale. Other movie broadcasts show shadows getting up from cinema seats at the final credits, revealing that the videos have been shot on the sly. Few radio stations pay for the music they broadcast.

But in January a new copyright agency will start charging fees and, possibly, large fines any time that the request to call 1-800-NO-COPY appears on screen. "The era of movie and music piracy is coming to an end," said Mr Vladimir Litvinov, president of Radio Max. "Some stations will have to shut down or merge. There are too many of us in Almaty."

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GSM PHONES WITH A FUTURE

NEWS: UK

Union vows to use EU directive to enforce rights of public sector workers

Legal threat over work-time rule

By Robert Taylor, Employment Editor

UK public sector employees face the threat of legal action if they do not implement the European Union's working time directive that came into force today in all member states.

eral secretary of the MSP technicians union, said yesterday his organisation would "use the law to enforce those rights" although he said he would prefer to negotiate agreements with employers.

The directive says all public sector workers are entitled to an immediate provision of the new working time rights. Mr Lyons said the union had alerted its health and safety representatives to the grievances of individual members in the public sector who

wanted to enjoy the directive's provisions. Employees in the private sector can sue the UK government for damages - under the Frankovich principle - for not transposing the directive into domestic law. This allows employees to seek compensation from their government for any damage they believe they suffer as a result of failure to implement a directive.

The European Court of Justice said recently that if an EU member state breached the time restrictions on implementing a directive this did not provide sufficient grounds alone to allow a worker to seek compensation from the government.

State fund for top visitors may be cut

By James Blitz in London

The UK Treasury is to turn its talents for budget-cutting to one of the plusher bits of ministerial life: entertainment of visiting dignitaries. The Cabinet Office has revealed in an announcement which has attracted little notice that all spending by the Government Hospitality Fund is to undergo a rigorous review.

Thatcher backs premier against rebels in party

By Robert Peston, Political Editor

Mr John Major, the prime minister, last night received support from Baroness Thatcher, his predecessor, in the battle to stem a damaging rebellion by backbench MPs in the governing Conservative party.

The opposition Labour party plans to reform the process of parliamentary scrutiny of European Union meetings and documents, John Kampfner writes. Party officials said yesterday that Mr Tony Blair, the Labour leader, was likely to back a programme for strengthening the accountability of ministers to MPs on European matters as part of the party's plans for modernising parliament.

weekend of reflection, most Tory backbenchers will pull back from the brink. But that outcome depends on how rampant is the disease of the mind afflicting many Tories, largely of the Eurosceptic tendency, who have apparently lost the will to win the election.

US group may seek damages from MGAM

By John Gapper, Banking Editor

Xavier Corporation, the Houston-based oil production company that became involved in the Peter Young affair, is considering possible legal action against Morgan Grenfell Asset Management seeking compensation for damage to its share price.

in a series of events to have dogged the fund management group, which was forced to suspend three investment trusts containing £1.4bn when it uncovered Mr Young's alleged deception. Five senior executives, as well as Mr Young, were sacked in the wake of the affair, and Deutsche Bank announced yesterday it was moving ultimate control of its UK unit trust business to Frankfurt.

UK NEWS DIGEST

Hopes dim for tunnel services

Hopes for a speedy resumption of Eurostar and passenger and freight shuttle services through the fire-damaged Channel tunnel dimmed last night as the safety authority waited for Eurotunnel to explain its plans. Eurotunnel is the operator of the undersea tunnel between England and France. Eurotunnel has presented its case for restarting a full range of services before it has completed repairs to the tunnel. But the safety authority of five British and five French representatives wants more details of how it will run safe services. Between 40 and 50 freight trains, carrying containers not trucks, went through the tunnel yesterday, up from 26 on Thursday. But Eurotunnel is still losing most of the £1m (\$1.6m) of revenues it would normally expect to make in a day.

NORTHERN IRELAND

Business condemns bomb attempt

Business leaders in Londonderry, the second-largest city in Northern Ireland, yesterday condemned the planting of a big car bomb outside a police station in the city on Thursday. The bomb was defused after a warning from the Irish Continuity Army, thought to be a group of IRA dissidents. "The business community is devastated," said Mr John McGinnis, president of the Londonderry Chamber of Commerce. "We are looking at manufacturing jobs, and that means we have to be able to attract investment, and that has gone on already." The bomb attempt was also condemned by Mr Dick Spring, deputy prime minister of the Republic of Ireland.

SALMON DISPUTE

EU faces price demand

The UK yesterday asked Ms Emma Bonino, the European Union fisheries commissioner, to help the Scottish salmon farming industry by imposing a minimum price on imports from outside the European Union. The minimum import price is aimed at Norway, which is not a member of the EU and which the Scottish salmon farming industry blames for over-production, leading to a collapse of prices in EU markets.

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Japan
Hardy
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COMPANIES AND FINANCE

Japan banks continue to cut bad debts

By William Dawkins in Tokyo

Japan's 10 leading banks yesterday signalled they had put the biggest of their bad debts behind them, allowing them to return to profit in the first half of this year, after notching up their biggest-ever aggregate loss in the second half of 1995.

The city banks announced ¥42bn (\$3.97bn) of write-offs and provisions for bad debts in the six months to September, 18 per cent less than the same period last year.

It marks continued progress in their new strategy of finally tackling the mountain of bad debt which has weakened their performance for the past five years. Many borrowers took out loans to buy land in the 1980s asset price bubble and were left unable to repay when prices slumped in 1991.

The top banks' total outstanding bad loans fell 7.3 per cent to ¥14,050bn over the past six months, rather more slowly than write-offs, which suggests that more bad debts are emerging from affiliates, where the real size of uncollectable loans has yet to be made clear.

Much of the decline in bad loans came from write-offs ordered by the finance ministry - of lending to bankrupt housing loan companies, the subject of a state

Fuji Bank in record share issue

Fuji Bank yesterday launched a ¥210bn (\$1.88bn) issue of convertible preference shares, the largest ever offering of euro-convertible securities, writes Conner Middelmann.

SBC Warburg, Yamaichi and Nomura are acting as joint bookrunners for the transaction. Bookbuilding began yesterday, roadshows will start on Monday, and the shares are due to be priced during the week of December 9.

Indicative terms are for a dividend of between 4 and 5 per cent and a conversion premium of 10 per cent. The paper will be placed outside Japan, with most being directed towards Europe, in particular Swiss and UK institutions. Some will also be placed with qualified institutional buyers in the US under SEC Rule 144a.

Japanese banks have raised more than ¥1,000bn in equity-linked offerings since 1992 to rebuild capital bases damaged by bad loans in the late 1980s. The attraction of convertible preference shares is that capital raised can be counted as tier-one capital for regulatory purposes.

SBC Warburg is the first non-US investment bank to have clinched the foreign book-running position on this type of deal.

rescue package. Remaining bad debts will be harder to write off, since each case will require the agreement of all creditors. In consequence, outstanding bad debts are expected to decline more slowly from now on.

Japan's banks could afford to be more aggressive in writing off bad debts last year because their core business profits were rising fast, fuelled by falling interest rates and a rising bond market.

That luxury vanished in the first half of this year. The advantages of raising cheap debt was outweighed by increased competition for new loan customers; loan growth was flat in a weak domestic economic recovery; and the bond market declined.

As a result, the groups' operating profits fell 36 per cent on the first half of last year. Worst hit was Daiwa Bank, with profits down 58 per cent, while the least bad was Sakura Bank, down 17.8 per cent.

Japan's city banks: interim results (¥bn)

	Operating Profit	% change	Recurring Profit	% change	Net Profits	Total bad loans	1995-97 recurring profit*
Mitsubishi	153.0	-46.4	64.0	66.3	54.7	876.6	110.0
Sanwa	153.0	-46.4	64.0	66.3	54.7	876.6	110.0
Fuyo	153.0	-46.4	64.0	66.3	54.7	876.6	110.0
Dai-ichi Kangyo	175.3	-28.7	24.5	-22.9	16.0	1,411.9	40.0
Industrial Bank of Japan	137.9	-32.0	88.0	25.0	51.3	1,384.8	80.0
Sumitomo	137.9	-32.0	88.0	25.0	51.3	1,384.8	80.0
Resona	137.9	-32.0	88.0	25.0	51.3	1,384.8	80.0
Total	78.5	-41.7	30.1	-3.9	29.8	1,074.5	50.0
Hokkaido Tokai	18.7	-11.3	3.7	-35.9	3.4	932.3	7.0

As a result, average net interest margins shrank from 1.38 per cent to 1.26 per cent and the group posted a mere ¥15bn in bond trading profits, a small fraction of the ¥42bn made in the bond market in the first half of last year.

Added pressure on operating margins came from a rise in expenses, an estimated 2.6 per cent across the board. This was entirely because the finance ministry ordered a seven-fold increase in deposit insurance premiums at the start of the fiscal year to establish a better funded for bailing out depositors.

The fact that the banks can afford to be less aggressive in writing off bad debts

this year raises the question whether they have made adequate progress in providing for bad assets.

The group as a whole has only inched forward. Overall provisions stood at 52 per cent of bad loans at the end of September, up one percentage point from the same time last year. Most analysts accept that, in the current weak state of the property market, this is inadequate.

Some banks have been able to afford far better provisions than others. Tokai is exemplary, with a 66 per cent provision ratio, followed by the Bank of Tokyo-Mitsubishi with 57 per cent and Sakura with 56 per cent. Hokkaido Tokaihoku is the weakest, with a 37 per

INTERNATIONAL NEWS DIGEST

News Corp sells Fairfax stake

News Corporation, the media and entertainment group headed by Mr Rupert Murdoch, yesterday confirmed that it had sold its small stake in John Fairfax, the Australian newspaper publisher which has been the focus of much bid speculation.

News Corporation first emerged on Fairfax's share register with a 1.7 per cent interest in June 1994. Although the group subsequently added to this stake, its holding remained just below the 5 per cent disclosure level, making it hard for the market to monitor.

The disclosure bought heavy turnover in Fairfax's shares, but left them one cent higher on the day at A\$2.78. Mr Murdoch had never been viewed as a likely bidder for Fairfax, and most analysts believed the stake had been taken to give News Corporation leverage - either in discussions with other shareholders or in the event of a break-up of group.

The newspaper publisher's largest shareholder remains Mr Conrad Black, the Canadian media proprietor. He holds 25 per cent but has been unable to increase this because of restraints on foreign ownership of media assets. A further 15 per cent belongs to Mr Kerry Packer, the Australian businessman, who is constrained by separate cross-media ownership rules.

Both have said they would like to own more of Fairfax. The federal government is currently re-examining these constraints on media ownership, a review which is thought likely to determine Fairfax's future ownership.

Nikki Tait, Sydney

Strong start for CANTV float

The share price of CANTV, the Venezuelan telecommunications company, soared in New York and Caracas yesterday on the first day of public trading. American Depository Receipts (ADRs), each worth seven shares, surged to \$26 in New York within minutes of trading.

The government on Thursday had priced the CANTV ADR at \$23. It raised \$1.01bn in equity following the placement of 306.9m shares in what is one of Latin America's largest initial public offerings this year.

On the Caracas Stock Exchange, some 700,000 shares were traded by midday, pushing the price to B\$1,695, up from the base price of B\$1,547 fixed by the government privatisation agency FTV on Thursday.

Traders in Caracas suggested that demand was strong because investor perception of an under-priced share. "Investors are taking position on fundamentals and the company's growth prospects," said one trader in Caracas.

The FTV said on Thursday that 70m shares had been sold on the Venezuelan market, of which 52m went to retail investors, who received generous credit terms from the government. According to the FTV, this met only 85 per cent of the domestic demand.

Analysts in New York estimated that the ADR issue was also oversubscribed four to sevenfold. Traders said that demand was being driven by US institutional investors who had not been able to buy the amount of ADRs they wanted.

Raymond Collet, Caracas

Chichibu ahead tenfold

An increase in Japanese demand for cement, as result of a massive government public works programme, helped Chichibu Onoda Cement, the country's largest cement producer, multiply profits tenfold in the first half.

The company's unconsolidated recurring profits, before tax and extraordinary items, reached ¥2.45bn (\$22m) in the six months to the end of September, compared with ¥240m in the same period of last year. Turnover rose 0.7 per cent, to ¥132.2bn, and net profits increased 82 per cent, to ¥2bn.

But Chichibu attributed the bulk of its profits to the cost savings and economies of scale derived from its merger two years ago with Onoda, the climax of a campaign by the Ministry of International Trade and Industry to reduce overcapacity in the Japanese cement industry.

The group has almost a quarter of the domestic cement market and has expanded production in China in order to service that country's booming infrastructure investment.

William Dawkins, Tokyo

France Télécom in Taiwan

France Télécom said that a consortium in which it holds a 20 per cent stake has applied for a mobile telephone licence in Taiwan. It said that the consortium, Tchang Da International, had applied for a licence to operate either GSM or DCS 1800 in the Taipei area.

AFX News, Paris

Italian clubs face challenge of two halves

Seria A sides seek financial - as well as sporting - success

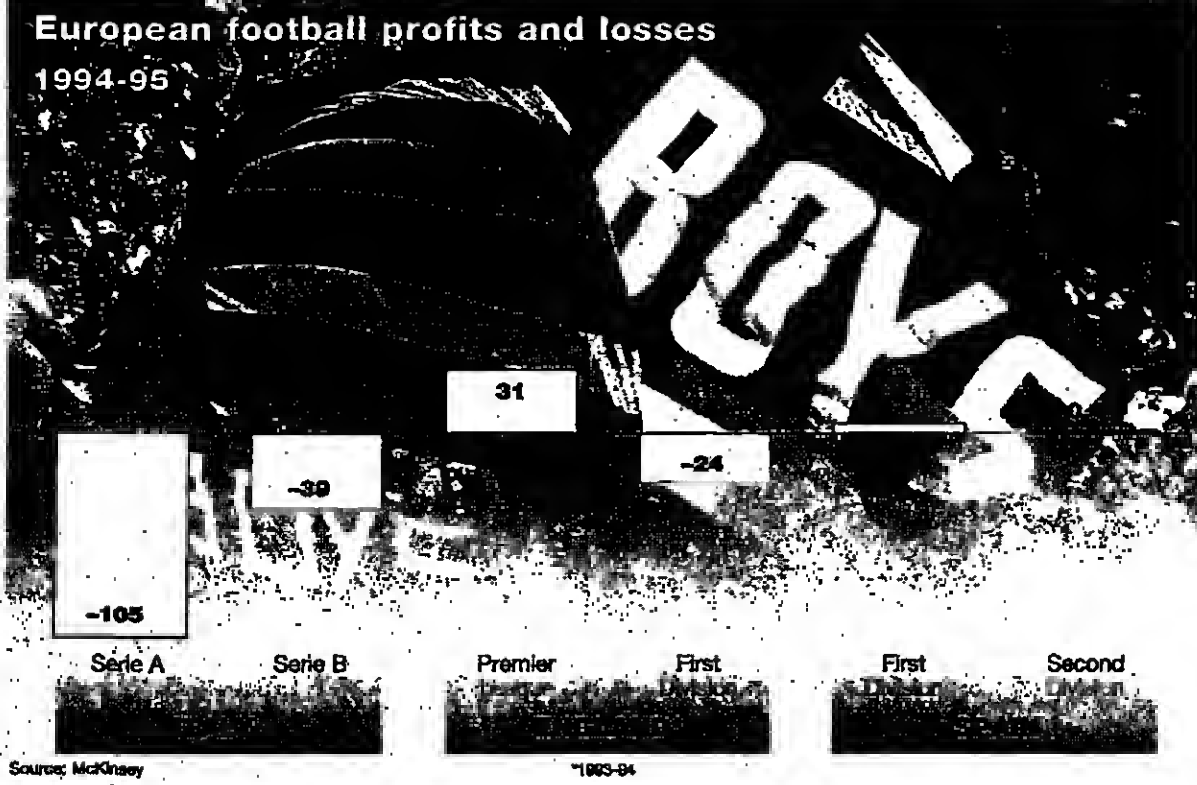
With total annual losses of over £1,000m (\$66.8m), the 18 football clubs in Seria A, Italy's top division, are being outplayed off the field by their British and Spanish rivals. So concludes a report by McKinsey, the US management consultants.

Inter, which rents Milan's San Siro stadium with AC Milan, currently leads Seria A. But its financial results have been less impressive. Losses amounted to £32m in 1994-95, falling to £21m last year largely because of shareholders' donations.

About 60 per cent of Seria A income goes on players' salaries and Inter has been a big spender. This year its deficit on players bought and sold was £10bn. Although this has given Roy Hodgson, the club's British manager, a squad containing a clutch of national team players such as Yuri Djorkaeff (France), Aron Winter (Netherlands) and Paul Ince (England), it has taken the book value of players to £120bn. To cut costs, Mr Predeval wants to see the 26-strong squad reduced to 22.

Another helpful government measure is a three-year breathing space in which to depreciate assets. This will allow them to handle the consequences of the Bosman ruling by the European Court of Justice. Named after a Belgian player who brought a restraint-of-trade case against his club, this bans transfer fees for out-of-contract players moving to another country. Clubs can thus no longer assume a residual value for a player at the end of his contract.

Inter Milan is about 12 per cent owned by Pirelli, the Italian cables and tyres



group, and about 80 per cent by the chairman, Mr Massimo Moratti, the son of a successful chairman of the 1960s and 60s. "When Mr Moratti came to the club early last year, it was in such a bad financial and sporting position that someone had to save it," says Mr Predeval.

Mr Predeval, a Chelsea supporter while working with Unilever in the UK, says his chief goal is to secure for bigger clubs a larger slice of income from

TV rights. He believes the system whereby each Seria A club gets £5.2bn a year as its share of the £200bn paid by Rai television for transmission of Seria A and Seria B matches, over-protects smaller clubs.

"Total income in Italy from TV will have risen from £20bn in 1994-95 to £27bn in 1997-98, but is not increasing as in other countries. Mr Predeval claims big clubs are not getting the reward for providing big audiences for the pay TV service of Telepiù, which transmits Seria A and Seria B matches,

John Simkins

Software sales help Sega advance 16%

By Michio Nakamoto in Tokyo and Alice Rawsthorn in London

Strong sales of software for the Saturn video games system helped Sega, the Japanese electronic games and amusement park company, return to profits growth during the first half of this year.

Sega, which was badly affected by the downturn in demand for video games during the mid-1990s, achieved a 16 per cent increase in recurring profits to ¥12.76bn (\$114.6m) in the six months to September 30, while net profits rose 9 per cent, from ¥5.5bn a year ago to ¥6.08bn.

Every area of activity showed revenue growth during the first half, with sales increasing 12 per cent, from ¥158.43bn in the same period last year to ¥174.86bn.

In addition to Saturn software, another successful new product was a printing machine that turns photographs into stickers and has become a craze among young women in Japan.

The popularity of the printing machine contributed to a strong performance from Sega's commercial games business, which saw revenue in the interim period rise 14 per cent, from ¥38.8bn in the first half of the previous year to ¥43.7bn.

Sega expects to see continued growth from this division in the second half, with revenue increasing from ¥34.9bn to over ¥100bn for the full financial year.

Similarly strong sales of Saturn enabled the consumer games division to raise interim revenue 14 per cent, from ¥74.7bn to ¥85.4bn.

Sega sold 2.35bn Saturn systems during the first half and 8.23m software units, notably *Knight's Fighting Vipers*. However, the launch costs have been so high that this software has itself not yet contributed to profits.

So far the Saturn has been outsold by its arch-rival, the Sony PlayStation. It now faces additional competition from the Nintendo 64, the next generation of games system, which was launched in Japan and North America this autumn, and is due to be introduced in Europe next spring.

The weakest activity during the first half was in the amusement parks division, where the market was highly competitive.

This division posted negligible revenue growth of 2 per cent, from ¥4bn to ¥4.2bn, in the first half.

For the full year, however, Sega expects stronger growth to over ¥95bn, compared with ¥82.1bn for the previous year.

Hardy gains from oil prices

By Jane Martinson

Higher oil prices and lower depreciation charges helped Hardy Oil & Gas, the independent exploration and production company, raise interim post-tax profits sharply from £254,000 to £2.58m.

Hardy included reserves from two fields for the first time, indicating that they are commercially viable. The move flattens profits by lowering depreciation charges.

Reduced administrative expenses and lower taxes also helped offset a fall in production levels following the \$186m (£110m) sale of Hardy's US operation in May. Turnover fell 15 per cent to £20.9m (£24.7m) in the six months to September 30 because of the US sale.

Mr John van der Welle, finance director, said the

refocusing which started last year under a new management team. Hardy made a £25m provision last year to cover the cost of concentrating on four areas - the UK, Australia, India and Pakistan - while withdrawing from others.

The proceeds of the US sale reduced the group's net debt from £107.1m at the March year-end to £8.6m at September 30. Gearing was cut from 55 per cent to 4 per cent.

Hardy said it intended to spend £250m to develop two fields over the next five years. Mr van der Welle said that the Elgin field in the North Sea, which forms the bulk of reserve estimates, was expected to receive development permission from the government in the coming months.

Operating profits doubled

Moorfield fails to detail Greycoat bid

By Michael Lindemann

Moorfield Estates, the property company which recently launched a hostile bid for its much larger rival Greycoat, has admitted that it has not yet published any details about the proposed deal.

Almost two weeks after the bid was launched, Moorfield has still made no details generally available, except in the context of confidential discussions with certain large shareholders.

Moorfield, which is a quarter of Greycoat's size in terms of market capitalisation, may have been forced by the Takeover Panel to issue the announcement following speculation about details of the bid. Greycoat executives have

the details must be published in order to clear up uncertainty about Greycoat's future.

Moorfield is proposing an all-paper merger and a subsequent demerger of Greycoat's properties and other businesses. Greycoat executives have so far only seen a one-page summary which they dismissed as "vague".

Neither Mr Marc Gilbard nor Mr Graham Stanley, the two City analysts who founded Moorfield last year, were available for comment last night.

Mr Michael Beckett, Greycoat's chairman, said the company would hold an extraordinary meeting on December 5 and warned shareholders that unless they voted against the bid it risked being approved by

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COMPANIES AND FINANCE: UK

Fine Art shares drop 40% after warning

By Peggy Hollinger
Christmas will not be so merry this year for Fine Art Developments, the greetings card and mail order company which does most of its business in the festive season, following a profits warning yesterday which knocked 40 per cent off the group's shares.

Mr Keith Chapman, chairman, warned that profits would be "substantially below market expectations" due to a sharp fall in the mail-order division. He

admitted that, "with hindsight", the decision not to run a marketing campaign this year on agency mail-order - whereby agents receive commission on sales - had been a mistake.

Sales for the 33 weeks to November 15 were some £7.5m lower than last year - a fall of 11 per cent.

The market cut 177p off the group's shares on the news, to close at 262½p. Analysts also pulled back annual profits forecasts by about £16m to £30m.

The group took the view

that a campaign giving discounts on early orders had not been successful last year and it was cancelled. Mr Chapman said, "With hindsight we now believe it did stimulate activity."

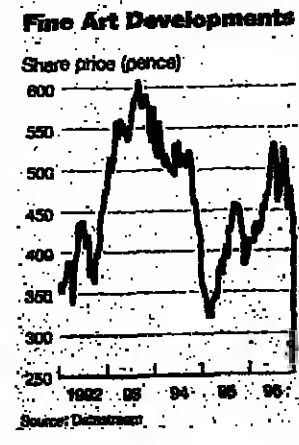
Efforts to rectify the situation - through a special £4m marketing campaign - did result in some pick-up, but not enough to make up for the initial loss of business. Furthermore, the group's peak trading period - the weeks running up to mid-November - did not appear to have benefited from the

extra marketing spend.

Fine Art also revealed that the wholesale card side was suffering from a greater than expected decline in sales of cards to independent retailers. The group is expected to take a £1m charge for restructuring this division.

COMMENT
Fine Art is not likely to be looking forward to its interim results in three weeks. The mistakes on marketing might just have been understandable, as the group was sitting on a record cus-

tomers base at the beginning of the year. It assumed - perhaps too blithely - that demand from that base would not need much encouragement. But that error has come very much at the wrong time. Fine Art has now lost significant ground in a declining mail-order market. Any attempt to catch up those lost sales will be that much harder. On forecasts of £30m, the shares are on a forward rating of just under 11 times. Given the fundamentals of the market, this seems about right.



Berisford says it has received a bid approach

By Michael Lindemann and Ross Tiernan
Shares in Berisford, the Magnet and Welbilt kitchen equipment group, jumped 30½p to 151½p yesterday after it said it had received a takeover approach.

The company said the inquiry was "only of a preliminary nature such that it is unclear whether it may or may not lead to an offer."

Mr Alan Bowkett, chief executive, declined to say who had made the approach but said it was a "possible bid". Electrolux of Sweden was tipped as a possible bidder. Electrolux said: "We don't comment on such rumours."

The share price surge pushed Berisford's market capitalisation to £229.6m. Analysts said it could be worth £300m to £365m, at 175p to 200p a share.

Berisford, a former commodity trader and sugar producer, now draws most income from making Magnet kitchens in the UK and Welbilt commercial kitchen equipment in the US.

Electrolux, one of the world's leading white goods manufacturers, has embarked on a globalisation drive underpinned by SKR12bn (£1.08bn) of cash on its balance sheet. Annual

revenues from commercial appliances account for 5K11bn of sales, a tenth of its total. It already manufactures in the UK, in County Durham and Bedfordshire.

In light of the approach, Berisford said it was postponing a scheme, launched last week, to buy back some of its outstanding 5 per cent convertible unsecured loan stock. However, Mr Bowkett said the buy-back would be relaunched if the bid failed to materialise. "The board has every intention of launching a buy-back programme and would like to do it as soon as possible."

Analysts, meanwhile, welcomed Berisford's results, an improvement on what one described as "a fairly torrid time" for the company.

Pre-tax profits for the year to September 28, excluding exceptional items, fell 5.1 per cent to £25.5m, slightly higher than forecast. Sales were £512m, up from £403m following two acquisitions. Berisford took a £1.2m charge to restructure Welbilt, bought in January 1995.

Despite the positive results, analysts said sterling's strength against the dollar would reduce 1997 profits by almost £2.5m, to about £29m.

See Lex

Triplex launches new attack on Wm Cook

By Richard Wolfe, Midlands Correspondent
Triplex Lloyd, the industrial engineering group, yesterday accused William Cook, the steel castings company, of having "failed to deliver value for its shareholders" over the past two years.

The attack represents Triplex's central argument behind its £58.4m hostile bid for Cook in its attempt to create a broad group of castings companies.

William Cook yesterday countered by offering shareholders the prospect of special dividends and higher ordinary pay-outs, alongside its current strategy of share buy-backs.

Cook, which has bought back 15.5 per cent of its shares in the last year, said the bid undervalued the company substantially and recommended that shareholders take no action. It added that there was no industrial logic to the takeover and no manufacturing synergies between the two

castings companies.

However, Mr Andrew Cook, chairman, admitted he had failed to win the recent backing of his shareholders.

"I have made a mistake, which I regret now, of not keeping the shareholders up to speed on what I was doing," he said.

"I have been busy running and shaping the business while the shareholders thought it was going nowhere. They thought it was a one-man band, who was lining his pockets, and that is why the share price has not moved."

"But in fact we have spent £17m improving our operations over the last three years to improve efficiency by 30 per cent across the group. We have delivered profits and sales growth over the last four years and I guarantee that will continue in the second half this year."

Triplex, which published its offer document yesterday, claimed market support for its position as Cook's shares have risen more than a third

since the launch of its bid last week. Shares in Cook closed down 1p at 329p yesterday, while Triplex shares remained unchanged at 309½p.

In its offer document, Triplex yesterday described Cook shares as "a story of disappointment" after two dividend cuts in 1992 and 1993.

It also highlighted Cook's failed investment in Unicast of the US in the early 1990s and a fruitless search for acquisitions in continental Europe.

Cook replied by arguing that Triplex has reported losses in three out of the past six years, while its earnings per share has grown by 6 per cent compared to 14 per cent at Cook.

Triplex is offering seven new shares and £150 cash for every nine Cook shares, which values the target at 313p. There is also a cash alternative of 295.4p a share.

The offer closes on December 13.

Cost savings aid Hyder in 25% rise

By Jane Martinson
Hyder, the Welsh multi-utility, lifted interim pre-tax profits 25 per cent to £104.7m following January's £85m acquisition of Swalec, the regional electricity company.

Mr Iain Evans, chairman, said cost savings from the merger - expected to add up to £100m a year by the end of the century - were ahead of target. The savings chiefly derive from 900 job cuts over the next three years and the integration of services at Welsh Water and Swalec.

Hyder said yesterday that the first year's target of £27m was likely to be beaten. The group was also looking for additional savings from operational changes.

The evidence on savings, combined with profits at the top end of expectations, helped lift the shares 10½p to 752½p.

Hyder has made a number of disposals following the merger. Last month's sale of its 40 per cent stake in CableTel South Wales prompted a £13.9m write-down.

The group repeated its commitment to increasing its non-regulated infrastructure businesses. Unregulated activities contributed £13.1m to profits, although £8.6m of this came from Hyder Services, the new division which serves the core utility businesses. It is still reviewing the future of its collection of electrical contracting businesses.

Total sales more than doubled to £547.7m (£269.5m) in the six months to September 30. Swalec contributed £41.7m to profits.

Profits in the water and sewerage business fell slightly to £84.1m (£84.7m), chiefly because of a £5.4m customer rebate.

Capital expenditure rose to £128m (£85m). With net debt of £860.2m, gearing stood at almost 100 per cent before taking account of preference shares.

An interim dividend of 14.6p is declared, up 16 per cent.

Earnings per share inched ahead to 57.7p (£7.4p) after taking account of the rebate and last year's preference share issue.

COMMENT
Few now doubt Hyder's ability to achieve the cost savings it said it could. Pre-tax profits for the full year are expected to be about £206m. A prospective dividend of 44p this year is yielding just over 7 per cent, matching the sector average. This rating suggests that the market is ignoring Hyder's relatively highly geared balance sheet as well as the fact that, with two core businesses, it is doubly exposed to any potential windfall tax. Interest cover of 3.8 times will fall because of capital expenditure commitments as well as acquisition costs. While this should not cause problems there is little reason to suggest that the shares should rise much higher, certainly while political uncertainties persist.

CONTRACTS & TENDERS

NOTICE FOR INTERNATIONAL TENDER
N° 003/DIRMA/96

THE BRAZILIAN AIR-MINISTRY
AIR FORCE LOGISTIC COMMAND
DIRECTORATE OF AERONAUTICAL MATERIAL

1. INVITES applications from suitably qualified companies to tender for total and/or partial overhaul services and total and/or partial repair and modification on the following aircraft:

- 09 (nine) jet-engine motor VIPPER S22;
- 25 (twenty five) jet-engine motor VIPPER S40
- 02 (two) turbo-prop DART S33-2;
- 04 (four) turbo-prop DART S33-2
- 09 (nine) TURBOMECA ARRIEL 18 motors, plus their additional and separate components

2. TENDERS DOCUMENTS are available for consultation at the Directorate of Aeronautical Material - Procurement Section, at Praça Senador Salgado Filho, s/n, 3º andar, Aeroporto Santos Dumont, Rio de Janeiro, RJ. Documents could be obtained for a non-refundable fee of R\$ 150.00.

3. THE AWARD resulting from the International Tender shall be governed by Brazilian Law n° 8668/93 and shall be based on the LOWEST PRICE offered.

4. THE OPENING of the tender envelopes will be elected by members of the Tender Commission on 26 December 1996 at 15:00 hours local time, at the Directorate of Aeronautical Material, in the presence of all those who want to witness the act.

London, 19 November 1995

NOTICE FOR INTERNATIONAL TENDER
N° 004/DIRMA/96

THE BRAZILIAN AIR-MINISTRY
AIR FORCE LOGISTIC COMMAND
DIRECTORATE OF AERONAUTICAL MATERIAL

1. INVITES applications from suitably qualified companies to tender for total and/or partial overhaul services and total and/or partial repair and modification on the following aircraft:

- Motors ALLISON 200C20F; 200C20; 200C18 and respective components (components could be collected separately and returned either separately or installed on the motors)
- Accessories of motors SPEY MK-8-7, according to Clause 17th of Tender Documents (Description of Services and Technical Specifications and attached documents 14 and 17).

2. TENDERS DOCUMENTS are available for consultation at the Directorate of Aeronautical Material - Procurement Section, at Praça Senador Salgado Filho, s/n, 3º andar, Aeroporto Santos Dumont, Rio de Janeiro, RJ. Documents could be obtained for a non-refundable fee of R\$ 150.00.

3. THE AWARD resulting from the International Tender shall be governed by Brazilian Law n° 8668/93 and shall be based on the LOWEST PRICE offered.

4. THE OPENING of the tender envelopes will be elected by members of the Tender Commission on 26 December 1996 at 15:00 hours local time, at the Directorate of Aeronautical Material, in the presence of all those who want to witness the act.

London, 19 November 1995

NOTICE FOR INTERNATIONAL TENDER
N° 002/DIRMA/96

THE BRAZILIAN AIR-MINISTRY
AIR FORCE LOGISTIC COMMAND
DIRECTORATE OF AERONAUTICAL MATERIAL

1. INVITES applications from suitably qualified companies to tender for: overhaul services, refurbishment an application of service bulletins for 2 (two) complete motors ATAR 09C08, plus maintenance of their containers.

2. TENDERS DOCUMENTS are available for consultation at the Directorate of Aeronautical Material - Procurement Section, at Praça Senador Salgado Filho, s/n, 3º andar, Aeroporto Santos Dumont, Rio de Janeiro, RJ. Documents could be obtained for a non-refundable fee of R\$ 150.00.

3. THE AWARD resulting from the International Tender shall be governed by Brazilian Law n° 8668/93 and shall be based on the LOWEST PRICE offered.

4. THE OPENING of the tender envelopes will be elected by members of the Tender Commission on 26 December 1996 at 14:00 hours local time, at the Directorate of Aeronautical Material, in the presence of all those who want to witness the act.

London, 19 November 1995



Considering disposals: Ralph Bernard (left) with Patrick Taylor, deputy chief executive

Acquisitions and firmer advertising lift GWR 55%

By Christopher Price
Helped by a firm advertising market and acquisitions, GWR, the fast-expanding radio operator, lifted annual pre-tax profits by 55 per cent, from £5.31m to £8.23m.

Turnover for the year to September 30 rose by 63 per cent to £52.2m. Operating profits from continuing operations increased by 38 per cent to £7.22m.

Purchases, including the Chilterns and Mid Anglia stations, contributed £1.45m.

The company incurred £1.03m in abortive bid costs, mostly in its attempt to buy Radio New Zealand. Mr Ralph Bernard, chief executive, said the potential prize justified the cost - and also alerted management to the purchase of Prospect Radio, another large New Zealand station.

However, GWR's acquisition of 63 per cent of Classic FM in September prompted the decision to dispose of

Prospect, sold this week at a profit of £3.5m.

GWR is also selling a third of its 81 per cent stake in London News Radio for £2m - which would result in a profit of £1.5m - in order to comply with broadcasting ownership rules.

Some other disposals were also under consideration said Mr Bernard, with smaller AM licences prime candidates.

Classic FM's overseas interests would also be reviewed. The overseas business, which has interests in the Netherlands, Sweden and Finland, incurred losses of £2.4m last year, while the UK operations made profits of £1m.

Mr Bernard said the year had started brightly, with radio continuing to increase its share of the advertising market.

Earnings per share rose 11 per cent to 7p before the abortive acquisition costs.

A final dividend of 1.53p makes 2.9p for the year, a rise of 20 per cent.

COMMENT
GWR's management has shown that despite the distractions of a very acquisitive year, it was able to produce an impressive set of results. The continuing healthy state of the radio advertising market and the group's strong mix of stations, should provide a good basis for organic growth. However, it will be increasingly restricted in its ability to make acquisitions under current legislation and this may temper sentiment. Profit forecasts of £13.5m, excluding exceptional gains but including £1.5m of reorganizational charges, put the shares on a forward multiple of 21 times. A 45 per cent premium to the market and a 20 per cent premium to peers like Capital Radio suggests a correction may be overdue.

Company	Turnover (£m)	Pre-tax profit (£m)	EPS (p)	Current payment (p)	Date of payment	Dividends		Total for year	Total last year
						Corresponding dividend	Total for year		
Berisford	511.8	(403.2)	24.3	(28.9)	12.8	(15.7)	3	4.5	3
Break/Border	11	(7.04)	0.521	(0.285)	1.45	(0.84)	0.8	0.5	1.05
Cambridge Water	7.51	(7.78)	2.71	(2.57)	11.89	(11.30)	4.87	3.89	8.89
GWR	52.2	(5.31)	7.19	(6.31)	91	(63)	1.53	1.27	2.17
Herby OR & Gen	21	(24.7)	2.7	(0.613)	2.1	(0.2)	-	-	-
Hyder	547.7	(298.5)	100.7	(80.6)	57.71	(57.4)	14.6	12.6	36
Moran S	70.3	(64.8)	0.306	(0.222)	0.82	(2.01)	0.5	0.5	0.5
Real Clark & P	1.57	(1.35)	0.338	(0.307)	8.59	(7.88)	4	4	8
Osborne & Little	14.8	(12.6)	2.02	(1.88)	20.2	(18.9)	8	4.5	24.5
Quadrant	25.9	(26.9)	0.557	(14.8)	1.53	(3.88)	-	-	-
Stoddard Sakers	28.2	(25.9)	0.982	(0.625)	1.7	(1.2)	0.375	0.375	0.75

Investment Trusts	NAV (p)	Attributable earnings (£m)	EPS (p)	Current payment (p)	Date of payment	Dividends		Total for year	Total last year
						Corresponding dividend	Total for year		
Abnott Lloyd's	-	-	-	-	1.55	Dec 30	1.55	-	3.57
Planning Inc Growth	-	-	-	-	2.25	Jan 8	2.25	-	9.48
Matheson Lloyd's	103.44	(97.1)	0.336	(0.3)	1.35	Feb 13	0.8	-	2.8

Earnings shown net. Dividends shown net. Figures in brackets are for corresponding period. After exceptional charge. After exceptional credit. For increased capital.

NEWS DIGEST

Minerva raises £71m via placing

Minerva, the private property company owned by Mr David Garrard and Mr Andrew Rosenfeld (which is floating next week, has raised £70.6m from a share placing, valuing the company at £144m.

The issue price of 150p is at a slightly larger discount of 14.7 per cent to the company's pro forma net asset value than had been expected. Dealings in the shares start next Thursday.

HSBC Samuel Montagu, sponsors of the issue, said the decision to opt for a higher discount reflected the company's desire to attract a strong institutional following and ensure a good premium in two or three months when the market for the shares settles down.

Following the placing, Minerva's directors will retain a 51.3 per cent stake, of which 50 per cent is spread equally between the family interests of Mr Garrard and Mr Rosenfeld. HSBC is purchasing a stake of about 10 per cent.

The remaining shares are spread among about 40 institutions, most having less than 3 per cent.

Some £17m of the placing proceeds are to go towards the recently announced £37m purchase from Ladbroke of the head office of Banque Paribas in London's West End. Minerva owns the adjacent property in Wigmore Street.

The rest of the proceeds will be used to reduce borrowings by £28.6m, leaving £25m to fund future purchases and other property development opportunities.

Following the issue, the group will have net debt of £225m, giving gearing of 133 per cent against shareholders' funds of £186.5m and gross assets of £402m. The company, founded in 1983, had increased its gross asset value by 53 per cent before the placing. Andrew Taylor

Northern hopes 'unrealistic'

Hopes by Northern Electric, the Newcastle-based electricity company, of achieving a higher price than the 630p currently on offer from CalEnergy were unrealistic, Mr David Sokol, chief executive of CalEnergy, said yesterday in a letter to Northern shareholders.

He said Northern's defence document, published earlier this week, contained no new information. Northern's mention of a special dividend to be paid next February was already in the price, Mr Sokol said.

"Our ordinary offer remains the only way for shareholders to receive 630p in cash for their share," he said. Northern said last night that CalEnergy was using out-of-date information and was "missing the point" in its comparisons with East Midlands Electricity. Mr David Morris, chairman, said: "We believe our shareholders will be more interested in what we have to say next week."

One Northern adviser said: "The most interesting thing to come out of this document was the erratum slip."

Osborne & Little lifts dividend

Osborne & Little, the furnishing fabric and wallpaper designer and distributor, maintained its growth with interim pre-tax profits up 19 per cent to £20.2m on turnover ahead 16 per cent to £14.8m.

Shareholders benefit from a 78 per cent jump in the interim dividend from 4.5p to 8p, which Sir Peter Osborne, chairman, said reflected profitability and available cash resources, as well as representing more accurately the percentage of profits made in the first half. Earnings per share rose to 20.2p (16.9p).

UK sales were up 14 per cent to £5.5m, representing 37 per cent of the total for the six months to September 30. Turnover from the North American business increased 23 per cent to £6.2m, while the rest of the world showed a modest 6 per cent advance to £3.1m.

Sir Peter said he saw considerable potential from the July acquisition of the stock and exclusive distribution rights of Liberty Furnishings throughout the world, except Japan.

The shares fell 92½p to 842½p in thin trading.

Home Counties warns

Home Counties Newspapers yesterday issued a profits warning following an aggressive competitive battle in one of its main operational areas and slower than expected benefits from its Herald Newspapers acquisition.

HCN predicts pre-tax profits for the year to December 31 in the region of £800,000. This excludes any profit on the sale of the group's investment in Classic FM and the Press Association.

The directors expect to maintain last year's dividend by recommending a final of 9p, making a 5.5p total. Analysts revised their pre-tax forecasts down to £800,000 (£1.4m). The shares fell 21p to 240p.

Fall in prices hits Stoddard

Stoddard Sakers, the carpet maker that has been rationalising its operations, saw an increase in pre-tax losses from £625,000 to £986,000 in the six months to September, as costs rose and prices dipped.

Demand for tufted carpets - "essentially a commodity market" - remained depressed, although overall "a recovery in volume demand is slowly being accompanied by better prices". Sales were maintained at £28.2m; the interim dividend is also maintained, at 0.375p.

Break for the Border ahead

Break for the Border, the restaurant, theatre and event catering group, lifted interim pre-tax profits by 83 per cent to £521,000 as operating margins improved from 6.6 per cent to 8 per cent.

The bar and restaurants side raised sales by 10 per cent with the conversion of its unit in Oxford Street, London, into a Break for the Border themed restaurant. The music and theatre division lifted like for like sales by 10 per cent, while acquisitions more than trebled actual sales.

Total turnover was 57 per cent ahead at £11m in the six months to September 30.

Select reduces US offering

Shares in Select Appointments dropped 46p to 342½p as the USM-quoted international recruitment agency announced a reduction in the size of its planned US offering by which it is joining Nasdaq.

It cited a downgrade of the market rating of the staffing services sector in the US as the reason for the adjustment.

The company previously said it expected the US offering to include some 5.2m American Depository Shares at \$13.50 (£7.90) to \$15.50 apiece. Each AD5 represents two ordinary shares. The directors also expect that the US offering will not now include a secondary offering of existing ordinary shares. The new price range is expected to be announced on Monday.

APPOINTMENTS

MARKETING

As a member of this leading international investment company's commodity team you will be required to provide coverage for the emerging markets. Responsibilities will encompass marketing commodity driven instruments and products related to oil, gas and metals companies, including commodity derivatives related activities and structured hedging programmes for senior marketers, providing general quantitative support, analysis of deal structures, creation of models and deal pack terms. Applicants, aged 25-30 and educated to post graduate degree, should have minimum three years' relevant business experience in active structured finance products and derivative instruments. Salary negotiable.

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COMMENT & ANALYSIS

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Saturday November 23 1996

Honest Ken or Mr Fudge?

If honesty is the second best policy for winning an election, what should Mr Kenneth Clarke say in Tuesday's budget speech? The UK chancellor should be honest, not just for his own and his party's reputation, and the country's good, but because it might appeal to the public.

He will be faced in the last budget of this parliament with a strong consensus that fiscal policy should be tightened. The Trades Union Congress and the Confederation of British Industry stand together under the banner of "No Tax Cuts". The Bank of England has been giving the same advice. The City, although resigned to a small headline tax cut, would also like tighter policies.

And since the Tories are so far behind in the opinion polls, handing out a few greasy tidbits from the pork barrel may do little to restore their fortune, especially since Labour has clothed itself in the semblance of fiscal virtue.

The arguments for raising taxes (and controlling spending) have become steadily stronger this autumn. Recent figures all point one way: towards accelerating economic activity and an increased risk of inflation.

These figures offer Mr Clarke the first temptation which he must resist on Tuesday. For if ever a chancellor wanted to perform a sleight of hand, he could hardly have started with better cards. The government finances in October showed a £4bn surplus, about twice what was generally expected. Industrial production is at last recovering, manufacturers are taking on more labour, the latest CBI survey shows a recovery of order books; the government's longer leading economic indicator now points to stronger economic activity a year hence; retail sales reached a record in October.

Housing starts in September were 23 per cent higher than last year. October car production was at its highest level in the industry's history. Unemployment continues to fall and will soon be below 2m.

Tory pledges

Every line could be a winner, and for Mr Clarke, there will be plenty more in his little red book to keep the Tory benches cheering... strong economy... government finances heading for the black... headline inflation still only 2.7 per cent... sterling strong... therefore prudent to honour Tory pledges to cut income tax.

But no, chancellor, do not be tempted. As Treasury officials have doubtless explained, the improved borrowing figures will still leave the government's deficit at around 3% per cent of GDP. This is far too high for an economy in its fifth year of expansion and showing every sign of repeating the inflationary surge of the late 1980s (albeit at a rather subdued level).

Strong pound

Temptation number two will be for Mr Clarke to say that the strong pound will control inflation and thus give him "room for manoeuvre". Sterling has indeed risen to 11 per cent above its low point a year ago and is now only 7 per cent below its level in October 1992, before it fell out of the Exchange Rate Mechanism. If sustained, a strong pound will certainly help to contain the costs of imports.

It will also hit exports. And this is just what the UK economy does not need at the start of a consumer boom, especially when investment is still relatively depressed. A tight fiscal stance, on the other hand, might convince the markets that interest rates need not rise too much. This would bear down on sterling and possibly avoid the need for interest rate rises just before the election.

There is another argument for fiscal prudence. British government debt has more than doubled since 1991. At 60 per cent of gross domestic product, it is embarrassingly higher than when the Tories came to power in 1979. Because interest rates are subdued, the burden of servicing this debt is relatively bearable at 3.3 per cent of GDP. Still, this is more than the defence budget, and is a powerful reason for raising taxes rather than interest rates.

Mr Clarke's third temptation will be to pretend that he can curb the growth of public spending below its recent real rate of about 1% per cent a year. No prudent chancellor would use unrealistic future savings as an excuse for tax cuts now.

If he can magic a few billions from cuts elsewhere, his fourth temptation would be to pretend that a cut in the basic rate of income tax helps the poor more than the well off. But if he does make his economic judgment honestly and reduces borrowing, the rest is showbiz and he will have earned the right to play the conjurer.

In less than 10 years, personal computers will be able to recognise people, talk to them and understand what they say, according to Mr Bill Gates, chairman and chief executive of Microsoft, the world's largest software company.

PCs will also be able to understand facial expressions and gestures, he told this week's Comdex autumn exhibition at Las Vegas in the US. This could ultimately allow a user to control the functions of a PC simply by looking at an object on the screen and speaking a command.

You might, for example, look at the pawn in a computer chess game and tell it where to move, or fix on the character in a Star Wars game and tell it to shoot.

The PCs of the future will also adapt to the user's needs, skill levels, interests and working styles. They could even anticipate needs for assistance or information.

Such predictions are the opening shots in what is rapidly becoming known as the "battle for the eyeballs" - the struggle by the PC industry to replace the television as the primary home entertainment device. Industry leaders believe they can sustain the double-digit pace of annual sales growth into the 21st century only if they can draw consumers' attention away from the TV screen on to that of a PC.

"Consumers have a choice. They can turn on the television or interact with a multimedia PC," says Mr Andrew Grove, chief executive of Intel, the world's leading chipmaker. He believes the industry will have to create irresistible new features if it is to steer consumers towards the PC screen.

The TV, however, has a big headstart: worldwide, there are about three times as many TV sets in use as PCs. They are far simpler and much less expensive. Moreover, the PC lags as a receiver of high-quality video images transmitted via networks.

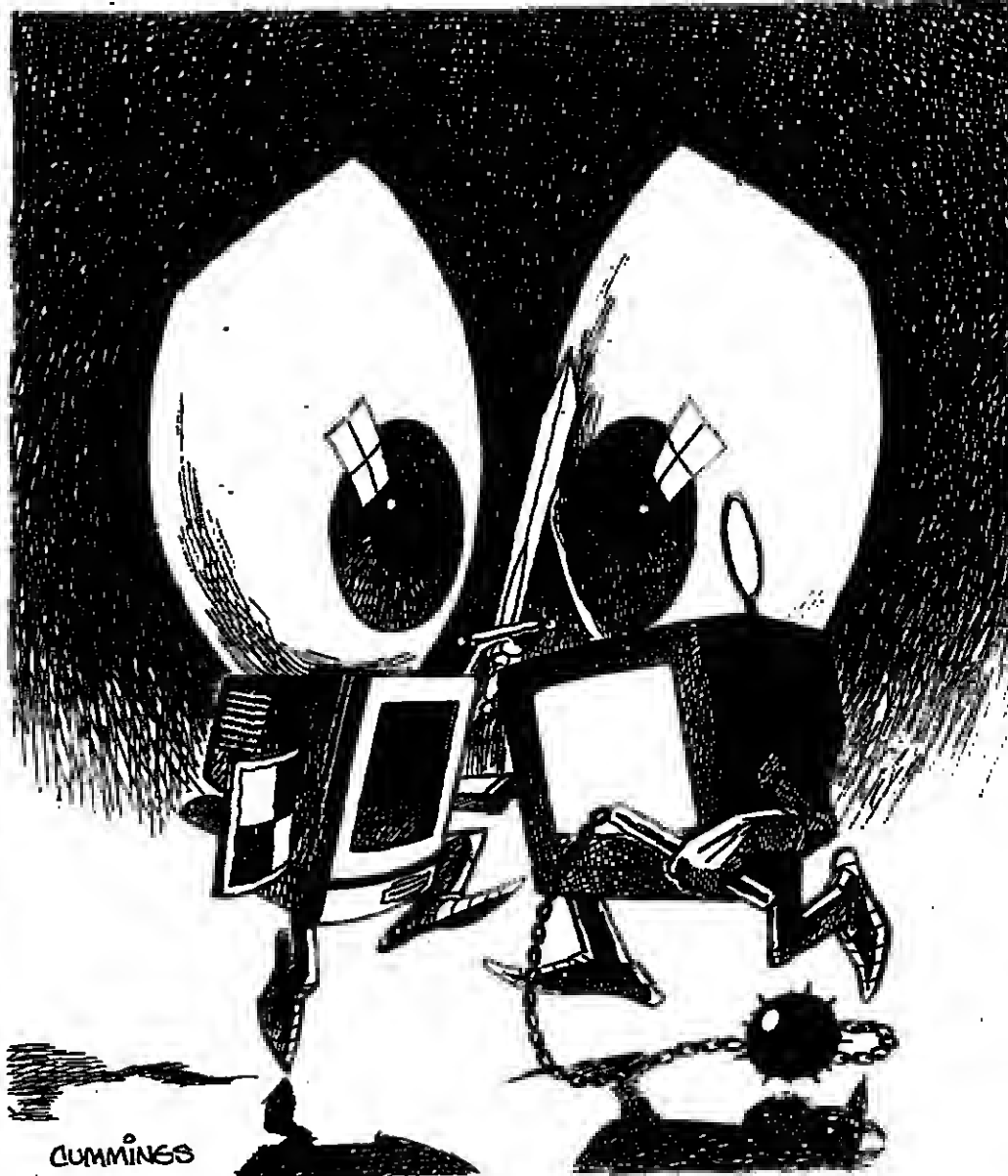
But annual sales of PCs, approaching 70m, will overtake those of TV sets either this year or next. And the PC is fast reaching the point where it begins to rival the quality of TV - or even overtakes it with "visual computing" technology. Early next year, for example, Intel will introduce MMX microprocessors with multimedia processing that will bring crispier, more detailed three-dimensional images to the PC.

"The most advanced PC users - 10-year-old kids - are demanding real-world, interactive, three-dimensional and lifelike experiences," says Mr Grove. "The TV set cannot meet these demands."

Similarly, researchers at Microsoft are developing techniques for rendering highly realistic

Battle for the eyeballs

Louise Kehoe and Paul Taylor on the fight between the personal computer and the television for a place in the home



scenes, lifelike animation and "virtual environments" on a PC. These effects can already be produced using high-powered and high-cost computers such as those used to create Hollywood animation. Microsoft's goal is to extend such techniques to owners of low-cost PCs.

With an annual research budget of more than \$2bn (£1.2bn), Microsoft is putting much of its efforts into ambitious "high reach" projects. "We aim to make the PC more personal," says Mr Gates.

"The computer is going to know how you're reacting to things. In fact, if you are willing, we could define a new type of return receipt e-mail that not only says that a message was read, but also describes your reaction," he says.

One of the most anticipated breakthroughs in PC technology is speech recognition. To date, the abilities of a PC to understand what it "hears" are limited. Yet within the next 10 years PCs will not only understand what people are saying, but will be

able to converse with them, Mr Gates predicts.

"When we look back at today's personal computers, I think we'll say: 'Hey, these were the machines that couldn't listen, couldn't talk, couldn't see...'"

Even as PCs learn to talk back, eyes trained on their screens may have more to do than take in fancy 3D images.

Microsoft is developing a visual system that could ultimately enable a user to control the functions of a PC simply by looking at an object on the screen and speaking a command.

Faced with the PC's fast development, the TV industry is not standing still. Satellite and cable services are offering audiences many more channels and minority interest programming. This capacity will increase much further with the arrival of digital broadcasting. And technological developments promise larger and flatter screens.

Yet the TV industry is failing to keep up with its PC competitors. Interactive TV, which showed promise a couple of years

ago, has been abandoned by most developers. In the US, technical wrangling over the technical specifications for high-definition TV has dragged on for more than two years.

This is not to say that the TV set will become obsolete. With the addition of computer technology - either in the form of a set-top box or built-in computer chips - it is likely to become an alternative screen on which to view Internet Web pages.

A similar role is also possible for video games machines, which some makers now fit with modems to link them to the Internet. Specialist Internet telephones that can receive and send e-mail are also on the way.

"There will be hundreds of different devices booked up to the Internet a year from now," Mr Grove predicts.

None of this will challenge the PC, says Mr Gates. "The PC is still the full-screen device that you want to sit next to, to edit your e-mail, do your taxes, do your homework. It is the full-scale approach."

PC industry leaders also dismiss the challenge posed by the network computer, a \$500 terminal that will link users to the Internet.

Supporters of the network computer include Mr Larry Ellison, chairman and chief executive of Oracle, the software company. They believe that as a rival to the TV, the PC is too expensive and too difficult to use.

Intel's Mr Grove says the network computer is chasing the market occupied by PCs yesterday - word processing, e-mail and so on - and working out how it might be done less expensively.

"They have a static view of personal computing. The difference is that we have a propensity to look forward and explore new applications," he says.

If the PC industry is to develop the technology to handle these new applications, it must become the dominant force in home entertainment. Only then could it hope to raise the enormous sums to invest in the next generations of the microprocessors needed to handle the futuristic applications under development.

By 2011, Intel expects to be able to produce microprocessors with 250 times the computing power of today's highest performance chips. Yet factories capable of producing these "Micro 2011" devices are expected to cost in the region of \$10bn each, a four-fold increase over today's most advanced semiconductor plants.

"The economics of our industry only work if we have large numbers of users demanding our technology," says Mr Grove.

Only by attracting new users can the PC industry afford the very large speculative investments needed to move the technology forward. "We need to be relentless in our efforts to increase the number of users and different uses of our technology. Just as we are investing in technology for the long term, we need to target the new users of the future today," he says.

As well as drawing a new generation of consumers to the PC, the industry must demonstrate that its multimedia technologies have value for businesses, says Mr Grove.

For example, the combination of multimedia technologies and computer networks would allow online business training sessions and easy remote access to central information resources.

The greatest risk facing the PC industry, Mr Grove believes, is that users might become bored. If this were to happen, it could lead to a reduction in research spending and a slowdown in the development of new applications.

Yet there are no signs that this is about to happen. The battle for the consumer's eyeballs is on - and it is coming to a PC near you soon.

LETTERS TO THE EDITOR

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Gold sales against national interests

From Mr Ethan B. Stroud.

It is ironic, and not politically fraudulent, that some European countries plan sales of their gold reserves to qualify for EMU. The specious and abortive theory is that such sales would reduce the present budget deficit. What will be sold for next year's deficit, and the next and the next? For example, the US at present owns a total of about 260m ounces of gold. If this gold were sold at \$1,000 an ounce (not \$384.00, its present value) it would fetch some \$260bn. This sum would barely pay for one year's - 1996 - US deficit.

As most schoolchildren know,

this gold was slowly and laboriously acquired, at back and give value to an otherwise worthless paper currency. Gold is no longer a *de jure* reserve for currency, but a *de facto* one. To deplete these gold reserves even more than recent sales have done is to take one giant step to render all currencies totally worthless. Ask the same schoolchildren if they prefer one paper dollar or one gold coin dollar. When this European gold ends up in Asian treasuries, who will accept worthless, I owe you nothing, Emu paper?

An infinitely better idea is to value this gold reserve at present fair market value and present the

greatly enhanced balance sheet for EMU purposes. Moreover, governments should encourage a higher gold price, thus increasing their own net worth.

Barbara Tuckman's entire book *The March of Folly* makes the distressing point that since the Greek Horse appeared at the gates of Troy, governments have inevitably pursued actions exactly opposite to those of their own best interest.

Ethan B. Stroud, Attorney at Law, 8528 Breaker's Point, Dallas, Texas 75243, US

Alternative perspective on Alitalia

From Mr A. Ottaviani.

Sir, Upon reading your Observer's comment on Alitalia's new "Team" logo ("Many miles to go", November 18), and having been inconvenienced by this airline's service more than once, I am reminded of a banner displayed by striking Alitalia workers who were picketing in front of the Fifth Ave office in Manhattan some time ago. According to those unhappy (as?) employees, Alitalia stands for: Always Late in Take-off Always Late in Arrival

A. Ottaviani, 566 Webster Ave, New Rochelle, NY 10801, US

Better to reform CAP than hit tobacco farmers

From Mr Anthony Wood.

Sir, At the risk of being labelled an iconoclast and deranged dissenter, I would suggest that the Association for Public Health (Letters, November 20) re-thinks its illogical cant which proposes a connection between

subsidised European tobacco farmers and unprovable fatalities.

Though it may be difficult for single issue ideologues to grasp, a better case can be made for reform of the entire Common Agricultural Policy than stigma-

tising 126,000 EU farmers whose chief sin is that they work small patches of land generally incapable of diversification.

Anthony Wood, 48 Whielden Street, Amersham, Bucks, UK

Tidal wave of designer wines a threat to small-scale independents

From Mr Nick Bradford.

Sir, Representing one of what Jancis Robinson called those "small domains run by enthusiasts, apparently more concerned to capture the essence of their region in a bottle rather than to make serious money" ("Stunning bargains still to be found", November 16/17), I write to inform your readers that there will soon not be many of us left in the Languedoc Roussillon. We are, furthermore, as serious as the

rest of them, and certainly in need of money to reinvest in our businesses - but the tidal wave of high-yield varietals, designer wine and big business (be it Australian or Bordeaux) seems unrelenting. The voracity of such giants as the Val d'Orbien is likely to lead to standardised wine and very little consumer choice, not to mention headaches and the obliteration of taste buds.

The survival of relatively small-scale independent vignerons who nurture their individual

wines from the vineyard to the bottle - as opposed to *viticulteurs* who sell their grapes to wine factories - may well depend on whether or not wine journalists give as much space to the thinking consumer as they do to the sort of bargain-hunter who will travel 20 miles to another supermarket in order to get 5p off a tin of the same cat food.

It's time your readers were treated with more respect and asked to consider the kind of future which awaits those who

have not yet discovered what lies behind that bottle of designer wine.

With the recent formation of a second, dissident *syndicat de vignerons* the battle lines are drawn - in the Corbières at least. *En vous offrant quelques pensées sauvages.*

Nick Bradford, Domaine des Pensées Sauvages, Albas, 11980 Durban-Corbières, France

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FINANCIAL TIMES
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Woman in the News • Sue Birtwistle

A classic persuasion

Annalena McAfee on the producer who has sold Jane Austen to TV audiences

Producer Sue Birtwistle broke the news gently. A Hollywood executive was offering to invest \$1m in her latest TV serial. Would the author be available, asked the executive, for book-signing tours and interviews? No, said Birtwistle. Her health would not permit the usual rigours of publicity. She had, in fact, died. Nearly 200 years ago.

That phone call took place early last year, before the serial under discussion, *Pride and Prejudice*, was screened in Britain. It became the most successful costume drama in the history of up to 14m viewers.

A co-production with the US Arts & Entertainment Network, it was sold to 18 countries including Poland, Israel, South Africa and Norway, generating revenue of more than £2.3m. It also helped to turn Jane Austen into a household name - even in the households of Hollywood executives.

This weekend the dream team of Jane Austen, Birtwistle and screenwriter Andrew Davies is set to do it again. At 8pm tomorrow, British viewers will unite around the flickering hearth of the TV screen to watch the two-hour £2m version of Austen's fourth novel, *Emma*.

It comes soon after a glossy Hollywood film of the same story ("sheira was a very different interpretation

of Emma," says Birtwistle darkly). Emma Thompson's film of *Sense and Sensibility*, and a British film of *Persuasion*. But Jane Austen is not the only writer to benefit from this craze for the classics: other recent TV and cinema productions have drawn on the work of Hardy, Eliot, the Brontë sisters and Defoe.

Birtwistle denies that this renewed enthusiasm for costume dramas, which faded from the British TV screens after the 1970s, is a transient fashion. "I don't think the appetite ever goes away for classic works. They only went out of fashion with TV controllers, who felt they should use new writing."

Perhaps the cost, at about £1m an hour for TV costume drama as opposed to £700,000 an hour for a more contemporary work, was a consideration. "But the classics have never gone out of style with viewers," says Birtwistle. "They're not classics for nothing. They're brilliant stories, well told."

It was in the mid-1980s that Birtwistle planned her initial pitch to revive the genre. She invited Nick Elliott, then head of drama at

London Weekend Television, the independent broadcaster, to a Covent Garden restaurant with the promise that she had a proposal for a serial based on "the sexiest book ever written".

Over lunch, she and Andrew Davies explained that the serial would focus on "five wonderful girls all living in the same house and desperate to get men". Elliott took the bait, commissioning the first three of six scripts, and was astonished to learn the book was *Pride and Prejudice*.

LWT decided not to back Elliott's enthusiasm and it was eight years before *Pride and Prejudice* was made - by the BBC. The 1995 production has gone down in broadcasting history as a ground-breaking work which introduced new viewers to television. It also introduced new readers to Austen - Penguin sold an astonishing 480,000 copies of the novel in the year after the serial was screened.

Birtwistle's productions are characterised by the breadth of their detail and the depth of their characterisation - in contrast to some heaving-bosom and frock-

coat classics. She has a horror of the "Laura Ashley" ersatz heritage that can be associated with the genre. For Birtwistle, costumes and sets are always meticulously researched but only in service of the story.

"You must not make a generalised design. Emma's father stopped the clock in his youth, for instance, so you must show a house that was last decorated 60 years ago. He and his friends wear the powdered wigs that went out of fashion years before. And Emma doesn't wear pretty bonnets worn by some of the other characters. She wears sassy hats."

Headstrong Miss Emma Woodhouse is seen as the early 19th century equivalent of a power-dresser. "It is the tension of what is throbbing beneath the costumes set against the constraints of the time that make these characters fascinating," says Birtwistle.

"Their stories are universal: they're about sexual attraction, money, social climbing and the search for a mate. People have always been interested in these themes and they always will be."

Davies, who has known

Birtwistle since he taught her English at Coventry College of Education in the 1960s, says that attention to detail has always been one of her great strengths. "She was a born producer. Lively, original and very gifted."

"Most producers are either good with story development, or setting up the deal, or out on location, or handling the publicity and press. But Sue does everything in this quite exceptionally thorough way."

At college, he says, "she was not tremendously academically inclined and used to spend a lot of time putting on shows." Andrews, then working on his first TV scripts, was roped in to write for them. "She is one of those people who can persuade you to go out of your way to do something and make you think they're doing you a favour."

At the time, Birtwistle was training to be a teacher but went on to work in the theatre - first as an actress, then as a director before moving into children's television. It was in the theatre that she first met Richard Byre, now director of the

Royal National Theatre, who directed her in a production at the Royal Lyceum Theatre in Edinburgh.

"It was horrible," she recalls. "I played a raven - I was always good in animal parts, not so good at people - and because we were 'walking out' he was careful not to make it easy for me. He ended up giving me a really hard time. I swore I'd never work with him again."

Her resolve, uncharacteristically, weakened and she married him. Birtwistle and Byre are now directors of an independent production company, Chestermead, which is behind both *Pride and Prejudice* and *Emma*.

"We bought the company's name off the shelf and fantasised about its previous existence. I think it was a medieval banquet business. Richard thinks it was a double glazing company."

Although Chestermead had early successes, with the award-winning TV production of Anita Brookner's *Hotel du Lac*, the extraordinary acclaim which met *Pride and Prejudice* took Birtwistle by surprise.

Emma has already been sold to 47 countries and looks set to outdo *Pride and Prejudice*. A book about the production will go on sale from Monday. A certain Hollywood producer will be interested to note that Birtwistle - a shrewd stand-in for the late Ms Austen - will be available for book signing tours and interviews.



Tunnels can be safer than other methods of transport, says Charles Batchelor

Rights and wrongs of passage

The fire which brought the Channel tunnel to a temporary standstill this week has revived fears that travelling through long tunnels, particularly under the sea, is inherently dangerous.

After a series of delays in its opening, rail services between the UK and France have grown strongly over the past 2 1/2 years, and the tunnel now accounts for about 40 per cent of all Dover-Calais traffic.

But this week's events are a setback for the tunnel's operators. They must recommence the task of convincing travellers that journeys through a long concrete tube beneath the sea are safe. Evidence from other countries suggests that tunnels may be safer than alternative forms of transport.

This will be welcome news to rail travellers. Environmental pressures and the need to design long, flat stretches of dedicated track for the latest high-speed trains mean that new lines increasingly include lengthy stretches of tunnel.

As details of the blaze which led to Monday's emergency evacuation of 34 passengers and the train crew emerged, it became clear that Eurotunnel's safety procedures were tested to the limit.

Train crew members were forced to fall back on the final part of a three-stage safety programme - leading passengers through acrid smoke to the safety of the pressurised service tunnel - after the first two stages failed. Driving the train out of the tunnel was ruled out when a warning light indicated a loading ramp was down and a power failure meant the "club car" carrying the truck drivers could not be uncoupled from the burning shuttle wagons.

Concern has focused on the use of open-lattice freight shuttles, which allowed the flames to be whipped up by the wind as the train sped along. Critics of the design - chosen to reduce weight and allow the wagons to carry trucks weighing up to 44 tonnes - have called for them to be fully enclosed.

"The first principle of fire protection is to confine the outbreak to

Travel deaths

Accidents involving passengers on passenger trains in the UK

Year	Deaths
1995	1
1994	1
1993	1
1992	1
1991	1
1990	1
1989	1
1988	1
1987	1
1986	1
1985	1
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1983	1
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1905	1
1904	1
1903	1
1902	1
1901	1
1900	1

The world's longest rail tunnels

Tunnel	Country	Year completed	Length (km)
Channel tunnel	France/UK	1994	49.94
London Underground (East Fenchway/ Molesden, Northern Line)	UK	1939	27.84
Yamanashi	Japan	1922	19.82
Shinkansen	Japan	1975	19.68
Hokkaido	Japan	1972	16.25

(Source: The Top 50 of Engineering 1996)



Tunnel vision: operators have to convince people that travel is safe

the main tunnels, equipped with firefighting equipment and sealed carriages in which to evacuate stranded passengers.

The Swiss are planning to build a second tunnel under the Gotthard massif between Lugano and Lugano. At 37km, it will be the world's longest and will be split into thirds by two emergency underground stations with access to the surface.

Similar underground stations linked to the surface are provided at each end of Japan's longest undersea tunnel, the Seto, which joins the islands of Hokkaido and Honshu.

It is expected to be several months before the Channel tunnel resumes the full range of passenger, freight and shuttle services. Whether the fire has done long-term damage to its prospects, however, could take much longer to determine.

Motorists and lorry drivers have been forced back on to the ferries. But while ferries generally have a good safety record, they are not immune to accidents.

The construction of Japan's Seto tunnel was prompted by the sinking of a train ferry, the *Toyomaru*, in a typhoon in 1964 with the loss of more than 1,100 lives. On the cross-Channel route, it is less than 10 years since the Herald of Free Enterprise capsized while leaving Zeebrugge harbour, killing 193 people. The loss of more than 900 lives when the Estonia sank in the Baltic in 1994 has led to new international ferry safety regulations designed to prevent water entering the open car decks and keep the ship afloat for longer.

"The fire in the tunnel was a horrifying experience for all concerned, but we do need to put it into perspective," says Mr Robert Gifford, executive director of the Parliamentary Advisory Council for Transport Safety.

"Fires in tunnels are rare events and fires on lorry trains are rarer still. If safety improvements at whatever cost price people away from safer modes of transport and cause them to run greater risks, then those improvements can be counter-productive."

Brewery plan that went flat

Judy Dempsey on the huge obstacles facing budding Palestinian entrepreneurs

Mr Nadim Khoury always wanted to return to his native Taybeh, a small Christian village between the West Bank towns of Ramallah and Jericho.

Like thousands of other Palestinians, Mr Khoury, 37, had left his home to seek a better life abroad. In 1994 the prospect of peace drew him back from the US where he had lived since 1979.

But like many other Palestinians who have made the return journey, mostly to set up businesses, he is discovering that the Palestinian Authority is disorganised, bureaucratic and unsure of how to woo investors.

The problems are even worse when it comes to doing business with Israel. With the peace process at a standstill, the closures imposed on the West Bank and Gaza by the Israeli authorities are suffocating the nascent Palestinian economy.

With the help of his family, he invested \$1.2m in setting up a brewery in Taybeh, using skills he learnt while working in small breweries in New England after studying in Boston.

"There was a chance to carve out a niche and contribute to the economy," he says, "tasting the temperature of his new steel vats full of sweet-smelling Belgian malt and Czech and German hops. But carving out a niche has turned out to be harder than planned."

To attract investment in the West Bank, the Palestinian Authority had agreed to offer incentives to those starting up new businesses - for example, tax holidays over five years.

But since Mr Khoury opened his Taybeh brewery in August 1995, the authority has insisted he should pay a 31 per cent tax on revenues in addition to 17 per cent value added tax.

"I know they need the money," says Mr Khoury. "But either they have an investment law or they have not. How can they attract Palestinians to return home if they create obstacles and so much bureaucracy?"

Mr Khoury believes there is another reason why the authority is pestering him. His brewery upsets the Moslems and some of the more fundamentalist elements among the Palestinians, who frown on drinking and selling alcohol.

"I cannot advertise in the Arab press," he complains - adding, however, that some Arab newspapers advertise Amstel, a Dutch beer made under licence in Jordan, although they delete the word alcohol in the advertisement.

And while the Palestinian Authority has also allowed Amstel to be imported with an import duty of 12 per cent, the Jordanians are

Tone set for share-owning democracy

Andrew Fisher on stockmarket fever among German investors

If you ask most people what the Dax (the German blue chip share index) is, they would probably say it's a type of dog, like a dachshund," says Claus, one of the 2m or so individual German investors seduced by a DM200m (€81m) promotional campaign into buying Deutsche Telekom shares this week.

The German telecommunications group launched the energetic campaign, with television and press advertisements, and there was even a laser show, to address the average German's ignorance about equity issues.

Certainly, by this week anyone who did not know about its DM200m share issue must have been too young or a hermit. It has been impossible to open a German newspaper or magazine without seeing Deutsche Telekom's pink T-sign.

Mr Rolf Bier, economics reporter at Bild, the best-selling tabloid daily newspaper, says Deutsche Telekom has done very well to persuade

Germans to become excited about shares. In a country where the public has long been described as shy of equities and afraid of risk, the issue was five times oversubscribed. Domestic demand was so high the issue had to be increased from 500m to 600m shares - a story Bild ran as a scoop.

Bankers reported huge interest; one was surprised to be called by a Berlin social worker friend asking if he should buy the shares.

Others who had never bought shares, like Karl, a Munich building engineer, made a dash for Telekom: "I'd always thought about buying shares, but I never had the nerve," he says. "I was worried about bank costs and didn't know which shares to buy."

Karl applied for 300 shares - the maximum that qualifies for the discount of DM40.50 on the share price to encourage individual investors. However, allocations

were scaled down in the face of huge demand and he received only 150. "If I had known that would happen, I'd have put in for 1,000."

He asked bankers if they would buy Deutsche Telekom shares and they all said yes. "I wanted to know what it was like to have shares. I had no idea about dividends, subscriptions and that sort of thing. If Telekom hadn't put on such a campaign, I wouldn't have done this."

The campaign has continued since the flotation. Dresdner Bank, one of the three global co-ordinators of the issue, has used lasers to display the shares' closing price each evening on its headquarters building.

Bild has carried regular progress reports. On Tuesday, the day after dealings began, its headline was: "Telekom shares: 18% profit!" Above it, the strapline read: "All Germany in stockmarket fever."

Inside, Mr Bier wrote that the gain - the shares closed at DM48.50 against an issue price of DM28.50 - was equivalent to almost 10 years' interest on a regular savings account.

The shares slipped 5 per cent the next day on profit-taking, later settling down. After they closed on Thursday at DM32.15, Bild wrote

encouragingly: "Telekom shares - up and down... dealers are optimistic that Telekom shares will rise again as pressure from rapid sales by foreign investors eases off."

Bild does not usually put financial news on its front page. Mr Bier says the newspaper - with nearly 5m circulation and 12m readers - realised the importance of the share issue when people kept telephoning and writing to ask if they should buy the shares.

The fact that Deutsche Telekom was state-owned (25 per cent of its shares are now in private hands) helped. "Germans are inclined to respect authority, so buying shares in a state company gives them some certainty," says Mr Bier. "It satisfies their need for security so they don't feel they are venturing on to the treacherous ice of speculation."

Claus, a retired architect

from Dortmund in north-west Germany, is certainly no speculator - he has not bought shares in years. After talking to his financially literate son, seeing the TV campaign and considering the incentives, he decided to take the plunge - also applying for 300 and getting only 150.

"I hope this brings more life to the share market," he says.

The 6 per cent dividend yield (after the domestic tax credit) was particularly attractive, since he wants the income from the shares to supplement his pension. He will thus be hanging on to his Deutsche Telekom stake for some time - as are the majority of those who bought the shares.

Will individual German investors buy shares again and create an equity culture in Germany to match that of the US or the UK? Karl and Claus say it depends on what else comes along. But having bitten once, they may bite again if another tempting new issue emerges.

UNIT TRUSTS

WINNERS AND LOSERS

FIVE OVER 1 YEAR

Johnson Fry Smlr Growth	1,494
ST Orient Acc	1,413
HSBC Hong Kong Growth	1,358
Jupiter European	1,350
Barclays UK Smaller Companies	1,341

HSBC Hong Kong Gth



TOP FIVE OVER 3 YEARS

Hill Samuel US Smaller Cos	1,963
Jupiter European	1,922
Prolific Technology	1,907
Barclays UK Smaller Cos	1,873
PM North America Growth	1,862

Gartmore UK Sm Cos



TOP FIVE OVER 5 YEARS

Prolific Technology	3,349
Perpetual American Smaller Cos	3,001
Barclays American Emer Gth	3,035
HSBC Hong Kong Growth	3,779
GT Orient Acc	3,746

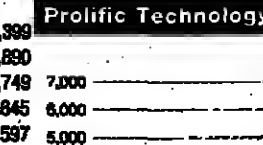
M&G Jap & General Acc



TOP FIVE OVER 10 YEARS

Hill Samuel US Smaller Cos	6,399
Barclays American Emer Gth	5,880
HSBC Hong Kong Growth	5,749
Gartmore Hong Kong	5,845
Prolific Technology	5,597

Prolific Technology



BOTTOM FIVE OVER 1 YEAR

GT Korean Securities	1,291
Save & Prosper China	1,287
Barclays Asia	1,287
Schroder Korea	1,287
Old Mutual Thailand Acc	1,287

BOTTOM FIVE OVER 3 YEARS

Save & Prosper Korea	1,291
Barclays Asia	1,287
Schroder Korea	1,287
Old Mutual Thailand Acc	1,287
Barclays Asia	1,287

BOTTOM FIVE OVER 5 YEARS

Barclays Asia	1,287
Schroder Korea	1,287
Old Mutual Thailand Acc	1,287
Barclays Asia	1,287
Barclays Asia	1,287

BOTTOM FIVE OVER 10 YEARS

Barclays Uni Japan Inc	831
M&G Japan & General Acc	858
M&G Japan & General Acc	916
Waverley Australian Gold	1,023
CU PPT Japan Growth	1,032

Tables show the result of investing £1,000 over different time periods. Trusts are ranked on 3-year performance. Warning: past performance is not a guide to future performance. Source: HSW (01625 511311)

Indices

FT 100	10,100
FTSE 100	10,100
FTSE 250	10,100
FTSE 1000	10,100

UK Eq & Bd

BWD Balanced Portfolio	1111	1494	2051	-3.8	1.4	
NPI UK Extra Income Inc	1091	1355	2104	-3.0	2.3	
Credit Suisse High Income Port	1049	1334	2102	-3.2	4.2	
Perpetual High Income	1042	1320	2170	-2.9	3.8	
Carlisle Income Dis	1077	1222	1995	2475	2.8	3.7
SECTOR AVERAGE	1047	1234	1902	2628	3.1	3.5

Nth America

Hill Samuel US Smaller Co's	1236	1885	3283	6389	5.5	-
PM North America Growth	1085	1862	3272	4298	4.6	-
Edinburgh N American	1220	1722	2960	3268	3.3	0.7
Friends Prov American Sm Cos	1159	1682	3008	3546	6.3	-
Perpetual Far East Growth	1029	1607	3141	3901	6.7	-
INVECO European Growth	1082	1941	2257	2879	3.7	0.6

Europe

Jupiter European	1360	1922	2928	-	3.5	0.8
Barclays Europe Select	1246	1951	2943	2682	3.6	0.9
INVECO European Smal Cos	1265	1713	2854	2606	3.5	-
Gartmore European Sel Opps	1113	1683	2479	2688	3.1	-
INVECO European Growth	1291	1682	2703	2566	3.9	-
SECTOR AVERAGE	1084	1947	1962	2325	3.2	0.9

Japan

Hill Samuel Japan Technology	864	1103	1413	2025	7.0	-
Barclays Japan Acc	932	1029	-	-	6.1	-
Martin Currie Japan	890	978	1457	-	5.7	-
Henderson Exempt Japan	945	968	1341	1244	5.8	-
Old Mutual Japan Inc	982	964	1247	1280	5.8	-
SECTOR AVERAGE	876	944	1132	1480	5.8	0.1

Far East inc Japan

United Friendly Far Eastern	990	1067	1748	-	4.6	0.7
Schroder Far East Growth Inc	1025	1078	2110	-	5.8	-
QAM Far East Inc	873	1057	1888	-	4.9	-
Perpetual Far East Growth	1014	1068	2368	3570	4.6	0.9
Abstract Pacific	1023	1051	2231	3013	4.6	0.9
SECTOR AVERAGE	984	943	1766	2428	5.2	0.7

Far East exc Japan

HSBC Hong Kong Growth	1258	1349	3770	5749	8.4	1.2
Friends Prov Australian	1085	1214	1964	5537	5.4	-
Old Mutual New Zealand	1023	1208	2297	-	4.9	2.9
GT Orient Acc	1413	1169	3745	-	7.1	0.2
Old Mutual Hong Kong	1240	1142	3128	-	8.3	1.0
SECTOR AVERAGE	1037	988	2412	4133	3.7	0.7

Commodity & Energy

M&G Commodity & General	1108	1405	1836	2763	5.1	0.2
Waverley Australian Gold	1102	1374	2547	1023	10.4	-
M&G Australian & General Acc	1267	1348	1972	2096	6.2	2.1
Save & Prosper Gold & Exp'ns	1198	1223	2380	1893	6.9	-
Seavey Gold & General	857	1160	3123	-	7.8	0.4
SECTOR AVERAGE	1085	1182	2080	2106	6.8	0.5

UK Growth

Jupiter UK Growth	1180	1839	2591	-	3.7	1.9
Johnson Fry Smlr Growth	1484	1654	2391	-	4.0	0.9
Credit Suisse Fellowship Inc	1167	1648	-	-	3.6	1.1
River & Mercantile 1st Growth	1183	1594	-	-	3.3	2.0
Samva UK Growth	1184	1579	1996	-	3.6	1.3
SECTOR AVERAGE	1068	1313	1797	2637	3.5	1.9

UK Growth & Income

Mercury UK Equity	1100	1427	2071	3976	3.4	2.4
Family United Charities	1157	1389	1800	3179	3.2	2.1
Proffice UK Blue Chip	1101	1398	2032	-	3.5	2.9
Lazard UK Income & Growth	1090	1394	1988	2915	3.4	4.2
Perpetual Income	1044	1376	2208	3113	3.2	3.2
SECTOR AVERAGE	1059	1254	1717	2815	3.4	2.9

UK Smaller Companies

Gartmore UK Smaller Companies	1341	1673	2062	3026	3.8	0.1
Laurence Kosm Smaller Cos	1289	1644	-	-	3.4	1.2
INVECO UK Smaller Companies	1215	1785	2333	2842	4.8	1.1
AES Smaller Companies	1213	1767	2187	-	3.5	0.9
Credit Suisse Smaller Co's Inc	1149	1656	2166	4261	3.9	0.9
SECTOR AVERAGE	1107	1353	1846	2670	3.8	1.5

UK Equity Income

Jupiter Income	1189	1679	2910	-	3.4	4.2
River & Mercantile 1st Income	1068	1432	1914	-	3.4	4.2
GT Income	1134	1432	2385	3772	3.4	4.0
BWD UK Equity Income	1126	1425	1910	2546	3.4	4.0
Lazard UK Income	1089	1398	1989	3008	3.3	5.0
SECTOR AVERAGE	1045	1222	1741	2835	3.3	4.8

UK Equity & Bond Income

Proffice Extra Income	1076	1321	1827	2923	3.0	4.6
Ballie Gifford Conv & General	985	1246	2111	2296	3.0	5.3
CU PPT High Yield	1089	1216	1745	2668	3.4	5.8
N&P Higher Income	1071	1216	1873	3033	3.0	4.3
Cazenove UK Equity & Bond	1053	1189	-	-	3.7	3.1
SECTOR AVERAGE	1029	1137	1618	2378	2.8	5.6

International Equity Income

Martin Currie Int'l Income	1091	1190	1972	-	3.1	3.5
GT International Income	1094	1199	2000	2893	2.8	3.0
Mayflower Global Income	985	1155	1789	1908	3.1	4.4
GEM Dolphin Int'l Gth & Income	1028	1133	1758	2071	3.0	3.1
M&G International Income	1016	1121	1891	2508	2.8	4.7
SECTOR AVERAGE	1026	1123	1808	2222	3.0	3.7

International Fixed Interest

Barclays Uni European Bond Inc	1055	1121	-	-	1.3	6.5
Baring Global Bond	1093	1120	1678	-	1.8	8.2
Mercury Global Bond Acc	991	1076	1562	-	1.7	5.5
Old Mutual Worldwide Bond Inc	988	1077	1430	-	2.1	5.2
Thornion Overseas Europe Bond	957	1074	-	-	1.7	5.8
SECTOR AVERAGE	964	1002	1386	1617	2.0	5.4

International Equity & Bond

NPI Worldwide Income Inc	1072	1291	1712	-	3.0	1.4
Bank of Ireland Ex Mgd Growth	1091	1291	1892	-	2.7	3.1
Cazenove Portfolio	1061	1267	1840	-	2.5	2.3
Gartmore PS Long Term Balance	1091	1281	1924	-	2.9	3.0
Gartmore PS Mid Term Balance	1072	1240	1733	-	2.5	2.9
SECTOR AVERAGE	1083	1158	1682	2397	2.7	2.5

International Growth

Prolific Technology	1015	1907	3049	5597	6.1	-
Framlington Health	1112	1607	2197	-	6.7	-
Scott Equitable Technology	1040	1512	2980	4294	4.3	0.8
Henderson Global Technology	862	1506	2701	4930	5.7	-
Save & Prosper Growth	1119	1472	2706	3729	3.8	1.7
SECTOR AVERAGE	1082	1149	1783	2348	3.8	1.1

Japan

Flaming Japanese	917	992	1320	4	6.8	-
Edinburgh Japan	948	999	-	-	8	7.8
HTR Japanese Smaller Cos	1000	998	-	-	0	7.4
Ballie Gifford Japan	858	898	953	7	7.9	-
GT Japan	865	854	1003	8	6.9	1.0
SECTOR AVERAGE	874	908	1029	-	7.4	0.3

Far East exc Japan, General

TR Pacific	1060	1190	3180	3	6.5	0.2
Scottish National Cap	1160	1148	2221	3	6.4	0.8
Scottish Asian	1045	1014	9102	7	9.7	-
Pacific Assets	1003	997	2362	7	10.2	0.4
Abstract New Dawn	1070	987	2740	8	7.9	0.7
SECTOR AVERAGE	1041	998	2292	-	8.4	0.7

Far East exc Japan, Single Country

New Zealand	1018	1384	3309	0	5.8	1.5
First Philippine	1161	1164	3280	16	7.7	-
Abstract New Thai	963	1008	3329	3	5.8	1.2
HTR Liberalisation Fund	783	933	1212	-	6.7	0.4
Siam Selective Growth	861	853	2040	14	8.2	0.4
SECTOR AVERAGE	872	907	2233	-	7.7	0.7

Emerging Markets

Templeton Emerging Markets	1067	1025	2360	2	6.9	0.3
Kleinwort Emerging Markets	974	956	-	-	13	5.8
Beta Global Emerging Markets	1102	936	1771	10	8.0	-
Govett Emerging Markets	1008	893	-	-	13	5.8
Foreign & Colonial Em Markets	982	823	1898	13	7.4	-
SECTOR AVERAGE	1136	857	1792	-	7.9	0.8

Closed End Funds

Capital Gearing	1286	1470	2029	3	3.2	0.1	
Scottish Value	1049	1215	2721	10	4.7	2.1	
London & St Lawrence	830	1140	1623	13	3.8	4.9	
New City & Commercial	1047	1000	-	-	20	5.8	5.4
Exeter Preferred Capital	944	944	-	-	28	4.8	0.5
SECTOR AVERAGE	1044	1154	2124	-	4.4	2.6	

Property

FT Cityline Unit Trust Prices are available over the telephone. Call the FT Cityline Help Desk on (444 171) 873 4378 for more details.

Table of FT Managed Funds Service, columns include Fund Name, Price, and other details. Funds listed include Northern Rock Unit Trusts, British American, and various international and domestic equity funds.

Table of FT Managed Funds Service, columns include Fund Name, Price, and other details. Funds listed include Yorkshire, Aberdeen, and various international and domestic equity funds.

Table of FT Managed Funds Service, columns include Fund Name, Price, and other details. Funds listed include Abbey Life, Canada Life, and various international and domestic equity funds.

Advertisement for Imperial Cancer Research Fund. Text: 'Every day, we help thousands of people like Zoe fight cancer.' Includes a photo of a woman and a donation form.

Advertisement for Property Unit Trusts. Text: 'PROPERTY UNIT TRUSTS'. Lists various trusts such as Falcon Property Unit Trust, Heron Property Unit Trust, etc.

Advertisement for Insurances. Text: 'INSURANCES'. Lists various insurance policies and providers.

Advertisement for Life Insurance. Text: 'Life Insurance'. Lists various life insurance policies and providers.

Advertisement for Life Insurance. Text: 'Life Insurance'. Lists various life insurance policies and providers.

Insurances, Money Markets and Other

FT MANAGED FUNDS SERVICE

• FT Cityline Unit Trust Prices are available over the telephone. Call the FT Cityline Help Desk on (44711) 873 4973 for more details.

Main table containing financial data for various insurance and fund categories. Columns include company names, fund names, and numerical values. Categories include General Accident, Life Insurance, and various fund types.

Money Market Trust Funds

Table listing Money Market Trust Funds with columns for fund name and price.

Money Market Bank Accounts

Table listing Money Market Bank Accounts with columns for bank name and account details.

MANAGEMENT SERVICES

Table listing Management Services with columns for service name and details.

Offshore Funds and Insurances

FT Cityline Unit Trust Prices are available over the telephone. Call the FT Cityline Help Desk on (44 171) 673 4878 for more details.

FT MANAGED FUNDS SERVICE

LUXEMBOURG

(SIB RECOGNISED)

Table listing various Luxembourg funds including categories like Fidelity Funds, Mercury Asset Management, and others, with columns for fund names, ISIN, and prices.

Table listing various Luxembourg funds including categories like Allianz International, Credit Investment, and others, with columns for fund names, ISIN, and prices.

Table listing various Luxembourg funds including categories like Merrill Lynch Asset Management, Southern International, and others, with columns for fund names, ISIN, and prices.

Table listing various Luxembourg funds including categories like Swiss Bank Corporation, State Street Luxembourg, and others, with columns for fund names, ISIN, and prices.

Table listing various Luxembourg funds including categories like Swiss Bank Corporation, State Street Luxembourg, and others, with columns for fund names, ISIN, and prices.

LUXEMBOURG (REGULATED)

Table listing regulated Luxembourg funds including categories like Allianz International, Credit Investment, and others, with columns for fund names, ISIN, and prices.

OFFSHORE INSURANCES

Table listing various offshore insurance companies and their services, including AXA Equity & Life, Allianz, and others.

FT MANAGED FUNDS SERVICE

Offshore Insurances and Other Funds

FT CitiLink Unit Trust Prices: (last 0001) 430010 and key in a 5 digit code listed below. Cells are charged at 45p/min/line cheap rate and 50p/min/line at other times. International access available by subscription only. For more details call the FT CitiLink Help Desk on (44 171) 873 4878.

Table of fund prices and performance data, including columns for fund name, price, and change. Includes sections for 'Other Offshore Funds' and 'Global Asset Management'.

Table of fund prices and performance data, including columns for fund name, price, and change. Includes sections for 'Global Asset Management' and 'Global Portfolio'.

Table of fund prices and performance data, including columns for fund name, price, and change. Includes sections for 'Global Portfolio' and 'Global Asset Management'.

Mikimoto advertisement featuring a diamond necklace and text: 'A SUSTAINABLE OF EXCELLENCE... 179 New Bond Street, London W1Y 9FD, Tel: 0171 629 5300.'

OTHER OFFSHORE FUNDS

Table listing various offshore funds with their respective prices and performance metrics.

Table listing various offshore funds with their respective prices and performance metrics.

Table listing various offshore funds with their respective prices and performance metrics.

MANAGED FUNDS NOTES: Please refer to the notes on the back of this page for more information. The fund manager's liability is limited to the amount of the fund's assets.

Highs & Lows shown on a 52 week basis

WORLD STOCK MARKETS

NORTH AMERICA

UNITED STATES (Nov 22 / US\$)

Table of US stock market data including S&P 500, Dow Jones, and various sector indices.

CANADA (Nov 22 / Can \$)

Table of Canadian stock market data including the TSX 300 index.

MEXICO (Nov 22 / Mex \$)

Table of Mexican stock market data including the IPC index.

BRAZIL (Nov 22 / Real)

Table of Brazilian stock market data including the Ibovespa index.

EUROPE

UNITED KINGDOM (Nov 22 / £)

Table of UK stock market data including the FTSE 100 index.

FRANCE (Nov 22 / FrF)

Table of French stock market data including the CAC 40 index.

GERMANY (Nov 22 / DM)

Table of German stock market data including the DAX index.

ITALY (Nov 22 / Lit)

Table of Italian stock market data including the FTSE MIB index.

SPAIN (Nov 22 / Ptas)

Table of Spanish stock market data including the IBEX 35 index.

INDICES

Table of various global stock indices including Nikkei, Hang Seng, and others.

US INDICES

Detailed table of US market indices and their performance.

AFRICA

Table of African stock market data including the Johannesburg All Share index.

PACIFIC

Table of Pacific region stock market data including the Nikkei and Hang Seng.

ASIA

Table of Asian stock market data including the Nikkei and Hang Seng.

NEW YORK ACTIVE STOCKS

Table of active stocks in New York, including volume and price changes.

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Table of active stocks in New York, including volume and price changes.

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Rockwell GPS technology is helping customers as diverse as Governments, airlines, trucking fleets, farmers and fishermen. Rockwell logo.

Technical Amster Weak r

Handwritten note: 10/25/96

WORLD STOCK MARKETS

Techs rise on chip market hopes Zurich marches on from peak to peak

William Hall on the effect of a weaker franc

AMERICAS Strength in technology shares powered US equities at midsession, putting major indices back on course for new records, writes Lisa Branstetter in New York.

per cent. The gains came in spite of modest declines in Treasury prices. Semiconductor companies were stronger amid renewed optimism that demand for computer chips was on the upswing.

Standard Federal Bank, which had risen nearly 200 in the past two months on buyout rumours, slipped 1/4 at 56 1/2 on news that ARN Amro, the Dutch banking giant, would acquire the Michigan bank for about \$68 a share.

TORONTO reversed early. All Street-led gains with another shakeout for the H10n price forcing mining stocks lower. At noon, the S composite index was off 1/4 at 5,293.31.

SAO PAULO extended Thursday's late buying spree but in volatile trade and with investors focusing mainly on blue chips. The Bovespa index was 484 higher by midsession at 66,744.

The Swiss stock market is entering a recovery territory. Share prices are nudging record levels, a sharp jump in the prices of some new high-tech issues has whetted investor appetites for initial public offerings, and, for the first time in several years, Swiss companies are starting to enjoy the benefits of a weaker Swiss franc.

However, the SNB's apparent willingness to allow the money supply to grow at more than four times its medium-term target of 1 per cent a year, in a bid to restart an economy which has been stalled for the last six years, has been picked up by the currency markets.

From textile machinery to locomotive manufacture. Sulzer's shares have risen by 15 per cent this year and are now trading at close to 40 times 1996 earnings. The stock market is betting heavily that the company's recent actions will lead to a leap in 1997 profits. If it does not, Sulzer could start looking vulnerable again to the predators which have been sniffing round the company for years.

Amsterdam joins all time high club

A good morning for the Dow helped a number of core European bourses to join their peripheral neighbours on the upgrade, AMSTERDAM hitting a record high after ABN-Amro's \$1.9bn offer for Standard Federal Bancorp of the US.

Electrolux B rose SKr7.50 to SKr386.50, on speculation in London that the company might bid for Berisford International. Volvo traded up SKr5.50 to SKr144 as Deutsche Morgan Grenfell raised its recommendation.

Hennes & Mauritz, the clothing retailer, climbed another SKr21 to SKr987. Analysts said that unofficial retail sales figures from the Swedish research institute, HUI, had fuelled the gains.

Norwegian, Finnish and Spanish equities also repeated Thursday's all time high. Indeed, OSLO peaked for the eleventh consecutive session, 5.05 higher at 959.29 in heavy trade worth more than Nkr1bn. Rising aluminium prices lifted Norsk Hydro, up Nkr6.50 to Nkr1320.50, and Elksam, Nkr14.50 higher at Nkr99.

HELSINKI saw more strength in Nokia, which

The Dutch bank climbed Ft14.40 to Ft109.70 after the announcement, linked with ABN's sale of MeesPierson, left analysts calculating a much lower net investment over the two deals.

The story helped lift the broad market, where the AEX index closed 7.23 higher at 615.47. However, the key index was also boosted by Royal Dutch, Ft3.90 higher at Ft287.20 on higher oil prices, and by Philips, Ft2.80 better at Ft64.80 on the rising dollar.

STOCKHOLM posted a second consecutive all time high, the Affärsvärlden general index rising 34.6 to 2,289.0. In telecoms, Ericsson Bs rose SKr3.50 to SKr204.50 on news that the company would streamline its business operations into three divisions from five.

Astra A gained SKr5 to SKr17.50, ahead of a market presentation by the drugs group in New York later in the day.

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Weak results depress Bombay

ASIA PACIFIC In a largely bullish region, BOMBAY proved an exception as disappointing first half earnings announcements and gloomy industrial growth data led shares 2.6 per cent lower. The BSE-30 index lost 77.64 to 2,956.66 after two heavily weighted stocks, Tata Chemicals and DBI, slumped following results that failed to live up to expectations.

Tata Chemicals added to Thursday's 9.8 per cent fall with another of Rs14.75, or 8.2 per cent, to Rs180, while DBI, the finance group, dropped Rs10.25 to Rs95.

Motor Retail rose Rs9.25 to Rs98.50, while funds turned sellers, citing poor October sales. Telco fell Rs2.50 to Rs352 in Bombay while the NSE put a circuit breaker on the truck-maker after the share slid Rs26.40 to Rs351. Bajaj dropped Rs10.25 to Rs93.

TOKYO finished slightly higher on late buying of NTT following the telecommunication giant's afternoon announcement of strong

interim earnings, writes Queen Robinson.

The Nikkei 225 average rose 72.77 to 21,216.11 after trading between 21,021.46 and 21,216.11. Late buying by investment trusts outweighed profit-taking as stocks wavered for much of the day.

Traders noted that recent buying interest among foreign investors had dropped, and many domestic investors were discouraged by Friday's reports that the government will end certain tax breaks in March.

The Topix index of all first-session stocks rose 2.95 to 1,573.56 and the capital weighted Nikkei 300 by 0.98 to 296.63. Volumes thinned from 382m shares to an estimated 280m, declines leading advances by 558 to 476 with 312 unchanged.

In London, the ISE/Nikkei index rose 0.66 to 140.70. NTT surged Y41,000 to Y820,000 on its announcement of a 54 per cent rise in first-half earnings.

Smaller banks continued to suffer from mild selling

pressure after Thursday's closure of Hanwa Bank, a regional second-tier bank, under massive bad debts. Hokkaido Tokai Bank fell Y9 to Y253, Kiyo Bank by Y5 to Y483 and Tokuyo City Bank by Y16 to Y294.

In Osaka, the OSE average fell 47.70 to 21,474.75 in volume of 48m shares. THAIPEI came back from Thursday's setback, triggered by a gangland killing of eight people, and roared to a 22-month high on active buying in the heavily weighted financial sector and in electronic shares.

The weighted index ended 68.90 higher at 6,761.39 in turnover of T\$106bn, its highest since June 14, with

electronics sector up 2.4 per cent and financials 1.9 per cent.

KUALA LUMPUR's blue chips surged to another local high for the year as local and foreign funds actively bought large-capitalised stocks. The composite index closed up 12.24 to 1,217.96.

HONGKONG's hard currency B shares maintained their upward thrust with the index up 5.18 or 4.6 per cent to 117.82 but turnover fell sharply to HK\$1.97bn. Angling Motors, the best performer, rose 21 cents or 17 per cent to HK\$9.80.

FT/S&P ACTUARIES WORLD INDICES

Table with columns for Country, Index, % Change, and various financial metrics. Includes Australia, Belgium, Brazil, Canada, Denmark, Hong Kong, India, Japan, Korea, Malaysia, Mexico, Netherlands, New Zealand, Norway, Philippines, Singapore, South Africa, Spain, Sweden, Switzerland, Thailand, United Kingdom, USA, Americas, Europe, Nordic, Pacific Basin, Euro-Pacific, North America, World Ex, World Ex, World Ex, World Ex, World Ex.

FTSE Actuaries Share Prices

Table showing FTSE Actuaries Share Prices for various countries and indices, including UK, Europe, and World indices.

THE EUROPEAN SERIES

Table showing THE EUROPEAN SERIES for various countries and indices, including UK, Europe, and World indices.

THE WEEK'S CHANGES

Table showing THE WEEK'S CHANGES for various countries and indices, including UK, Europe, and World indices.

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THE WEEK'S CHANGES

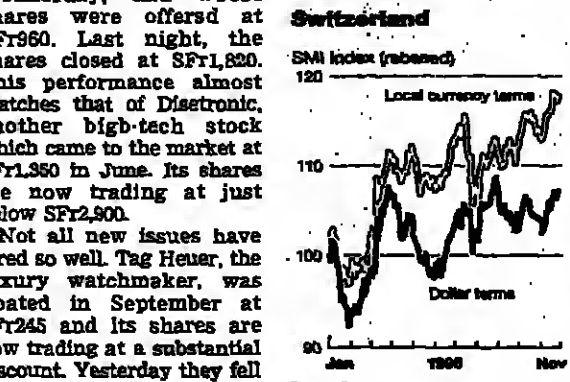
Table showing THE WEEK'S CHANGES for various countries and indices, including UK, Europe, and World indices.

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Local currency terms and Dollar terms. The graph shows the Swiss index (indexed) from 1990 to 1996, comparing local currency terms and dollar terms.

SOUTH AFRICA

Gold tumbled 2.6 per cent in Johannesburg after the bullion price fell through \$377 an ounce and industrial shares also lost ground. The gold index dropped 43.7 to 1,660.9 as Vaal Reef fell 900 cents to R252. Anglo held 800 cents to R405 and Kloof lost 100 cents to R42.

LONDON EQUITIES

Table showing LONDON EQUITIES with columns for Rise and Fall, and various stock indices.

LIFE EQUITY OPTIONS

Table showing LIFE EQUITY OPTIONS with columns for Call and Put, and various stock options.

RISES AND FALLS

Table showing RISES AND FALLS with columns for Rise and Fall, and various stock indices.

TRADITIONAL OPTIONS

Table showing TRADITIONAL OPTIONS with columns for Call and Put, and various stock options.

LONDON RECENT ISSUES: EQUITIES

Table showing LONDON RECENT ISSUES: EQUITIES with columns for Issue, Price, and various stock issues.

RIGHTS OFFERS

Table showing RIGHTS OFFERS with columns for Issue, Price, and various stock rights offers.

FT 30 INDEX

Table showing FT 30 INDEX with columns for Index, Price, and various stock indices.

FT GOLD MINES INDEX

Table showing FT GOLD MINES INDEX with columns for Index, Price, and various gold mines indices.

TRADEPOINT INVESTMENT EXCHANGE

Table showing TRADEPOINT INVESTMENT EXCHANGE with columns for Index, Price, and various trade point investment exchange indices.

LONDON STOCK EXCHANGE -DEALINGS

Details of business done shown below have been taken with consent from last Thursday's Stock Exchange Official List and should not be reproduced without permission. The data is now delivered by Exel, part of Financial Times Information.

Details relate to those securities not included in the FT Share Information Services. The prices are those at which the business was done in the 24 hours up to 5.15pm on Thursday, they are not in order of execution but in ascending order which denotes the day's highest and lowest trades.

For those securities in which no business was recorded in Thursday's Official List, the latest recorded business in the four previous days is given with the relevant date.

Bargains at special prices. * Bargains done the previous day.

British Funds etc

Treasury 5% Ls 2000 - 102.4 (20/06/96)
Government 9% Ls 2001 - 110.0 (20/06/96)
Exchange 9% Ls 2002 - 107.4 (18/06/96)

Listed Companies (excluding Investment Trusts)

Abbey National PLC 10% Non-Cum Div Prt 1st 11/11/96
Adams Group PLC 7.5% Div Prt 2nd Cum Prt 1st 11/11/96
Admiral PLC 5% Div Prt 1st Cum Prt 1st 11/11/96

Corporation and County Stocks

Northampton Corp Gas Ann (12/25) - 95 (11/06/96)

Foreign Stocks, Bonds etc Coupons Payable in London

BAF PLC 5% Cum Div 2006 - 101.63 (11/06/96)

Debt Issuance

Barclays Bank PLC 5% Div Prt 1st Cum Prt 1st 11/11/96

Programmes

Bradford & Bingley Building Society Cor Plu Prt 1st 11/11/96

Sterling Issues by Overseas Borrowers

European Investment Bank 9% Ls 2001 (10/06/96)

Bradford & Bingley Building Society 13% Prt 1st 11/11/96
British Home Stores PLC 5% Div Prt 1st Cum Prt 1st 11/11/96

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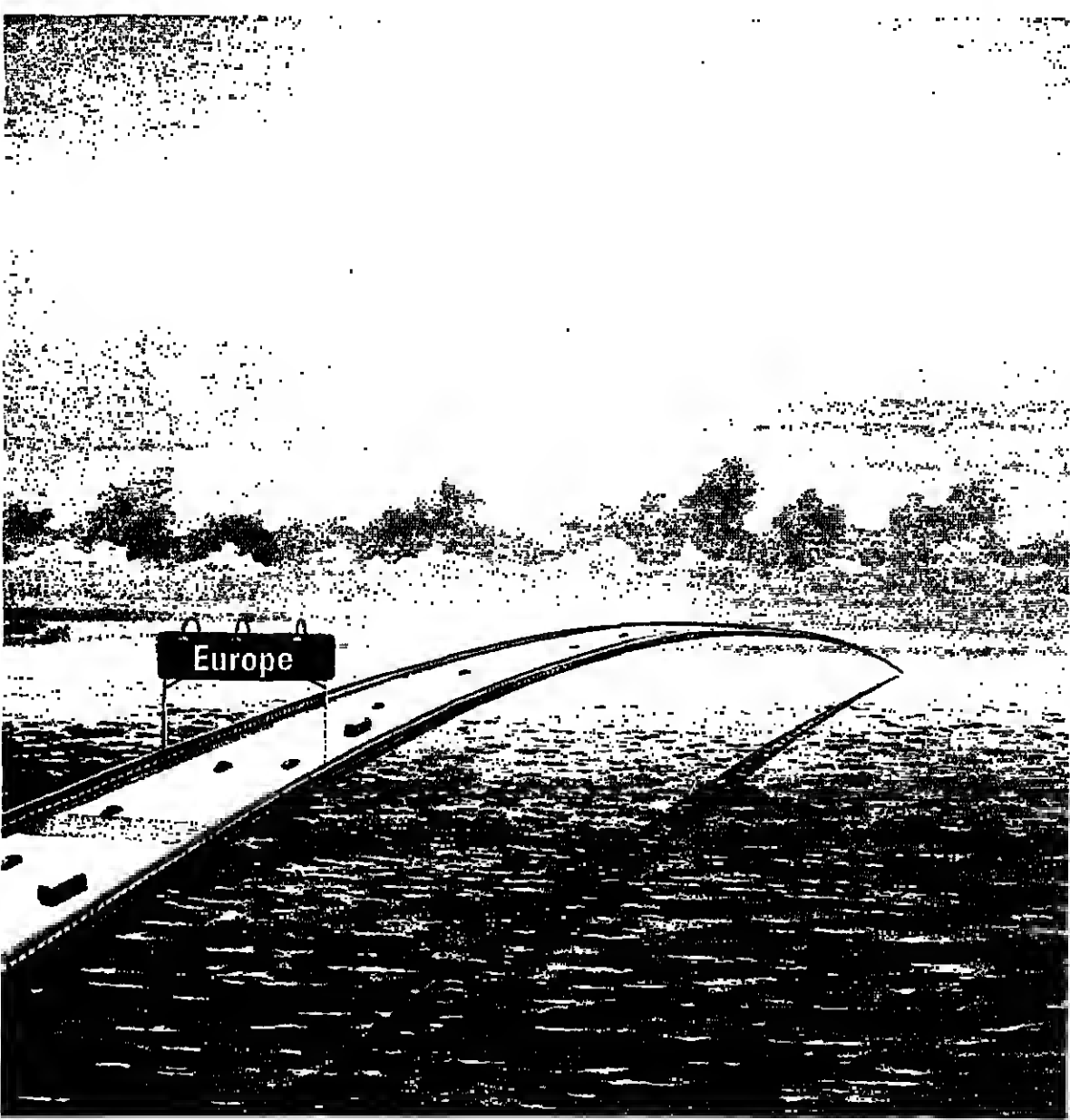
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FTSE 10

LONDON STOCK EXCHANGE

FTSE 100 drives through 4,000 on bid hint

MARKETS REPORT By Steve Thompson, UK Stock Market Editor

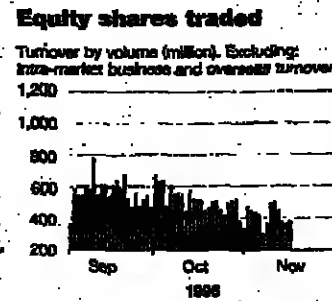
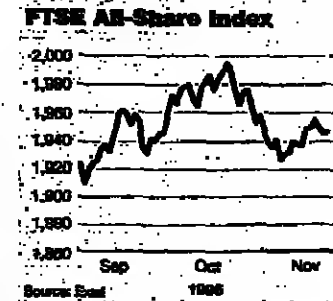
The UK stock market's stubborn reluctance to follow Wall Street's recent lead and its ability to ignore the strong gains in gilts was reversed in stunning fashion yesterday, as a sudden burst of institutional buying caught marketmakers on the hop.

The 6pm count, volume had reached 846.5m shares. The value of customer business on Thursday was £1.05bn.

Wall Street resumed its upward path yesterday while gilts finished with gains of 7 ticks in the 10-year issue and 15 in the 20-year issue.

There's no question whatsoever that all the marketmakers have taken it on the chin today. They were caught short of stock, hoisted their quotations to try to avoid the buyers and then had to bid prices up to get their books level again.

Throughout much of the week, shares drifted as investors worried about the impact on exporters' earnings of starting's persistent strength. Economic data which implied growing inflationary pressures and pointed to the need for further increases in UK interest rates, added to the upward momentum in the currency.



Indices and ratios table showing FTSE 250, FTSE 350, FTSE All-Share, FTSE All-Share yield, FT 30, FTSE Non-Fin p/c, FTSE 100 Fut Dec, 10 yr Gilt yield, and Long giltequity yld ratio.

FTSE 100 Index table showing closing index for Nov 22, change over week, and high/low for Nov 18-22.

Table titled 'TRADING VOLUME IN MAJOR STOCKS' listing various companies and their trading volumes.

Table titled 'EQUITY FUTURES AND OPTIONS TRADING' showing trading volumes for various futures and options contracts.

Rerating hope for Lasso

By Steve Thompson, Jeff Brown and Lisa Wood

The two oil exploration and production stocks in the FTSE 100, Lasso and Enterprise Oil were the first and third best Footsie performers yesterday, as oil specialists picked up hints that an auction of Santa Fe, the North Sea oil exploration company owned by Kuwait Petroleum Corporation, had seen the company sold for in excess of £1bn to Saga Petroleum, the Norwegian oil company.

Chief price changes yesterday

London (Pence) table listing price changes for various companies like Action Computer, Avon Rubber, Balfour Beatty, etc.

High 52 week highs and lows

Table listing 52-week high and low prices for various companies.

Percentage leaders & laggards

Table showing percentage changes since December 29 1995 based on Friday November 22 1996.

Table titled 'FTSE 100 INDEX FUTURES (LIFE) £25 per full index point' showing open, high, low, and close prices.

Table titled 'FTSE 250 INDEX FUTURES (LIFE) £10 per full index point' showing open, high, low, and close prices.

Table titled 'FTSE 100 INDEX OPTION (LIFE) £25 per full index point' showing various option contracts and their prices.

Table titled 'FTSE 100 INDEX OPTION (LIFE) £10 per full index point' showing various option contracts and their prices.

Table titled 'FTSE 350 Industry baskets' showing performance metrics for various industry sectors.

Table titled 'Hourly movements' showing stock price changes at different times of the day.

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For further information on the FTSE Actuarial Share Indices, please contact FTSE International on 0171 448 1810.

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LONDON SHARE SERVICE

ALCOHOLIC BEVERAGES

Table listing alcoholic beverage companies and their share prices.

BANKS, MERCHANT

Table listing bank and merchant companies and their share prices.

BANKS, RETAIL

Table listing retail bank companies and their share prices.

BREWERIES, PUBS & REST

Table listing brewery, pub, and restaurant companies and their share prices.

BUILDING & CONSTRUCTION

Table listing building and construction companies and their share prices.

BUILDING MATS. & MERCHANTS

Table listing building materials and merchant companies and their share prices.

CHEMICALS

Table listing chemical companies and their share prices.

CHEMICALS - Cont.

Table listing chemical companies (continued) and their share prices.

DISTRIBUTORS

Table listing distributor companies and their share prices.

DIVERSIFIED INDUSTRIALS

Table listing diversified industrial companies and their share prices.

ELECTRONIC & ELECTRICAL EQPT

Table listing electronic and electrical equipment companies and their share prices.

ENGINEERING

Table listing engineering companies and their share prices.

ENGINEERING - Cont.

Table listing engineering companies (continued) and their share prices.

ENGINEERING, VEHICLES

Table listing engineering and vehicle companies and their share prices.

EXTRACTIVE INDUSTRIES

Table listing extractive industries companies and their share prices.

EXTRACTIVE INDUSTRIES - Cont.

Table listing extractive industries companies (continued) and their share prices.

FOOD PRODUCERS

Table listing food producer companies and their share prices.

FOOD PRODUCERS - Cont.

Table listing food producer companies (continued) and their share prices.

GAS DISTRIBUTION

Table listing gas distribution companies and their share prices.

HEALTH CARE

Table listing health care companies and their share prices.

HOUSEHOLD GOODS

Table listing household goods companies and their share prices.

HOUSEHOLD GOODS - Cont.

Table listing household goods companies (continued) and their share prices.

INSURANCE

Table listing insurance companies and their share prices.

INVESTMENT TRUSTS

Table listing investment trusts and their share prices.

INVESTMENT TRUSTS - Cont.

Table listing investment trusts (continued) and their share prices.

INV TRUSTS SPLIT CAPITAL

Table listing investment trusts with split capital and their share prices.

Advertisement for Galliard Homes, Regents Place, featuring 40 luxury apartments with prices from £99,500 to £140,000.

LONDON SHARE SERVICE

BY TRUSTS SPLIT CAPITAL - Cont.

Table listing various investment trusts and their performance metrics, including columns for name, price, and change.

OTHER INVESTMENT TRUSTS

Table listing other investment trusts and their performance metrics.

INVESTMENT COMPANIES

Table listing investment companies and their performance metrics.

LEISURE & HOTELS

Table listing leisure and hotel companies and their performance metrics.

LIFE ASSURANCE

Table listing life assurance companies and their performance metrics.

MEDIA

Table listing media companies and their performance metrics.

OIL EXPLORATION & PRODUCTION

Table listing oil exploration and production companies and their performance metrics.

OIL INTEGRATED

Table listing oil integrated companies and their performance metrics.

OTHER FINANCIAL

Table listing other financial companies and their performance metrics.

PAPER, PACKAGING & PRINTING

Table listing paper, packaging, and printing companies and their performance metrics.

PAPER, PACKAGING & PRINTING - Cont.

Table listing paper, packaging, and printing companies (continued).

PHARMACEUTICALS

Table listing pharmaceutical companies and their performance metrics.

PROPERTY

Table listing property companies and their performance metrics.

Table listing property companies (continued).

PROPERTY - Cont.

Table listing property companies (continued).

RETAILERS, FOOD

Table listing retailers and food companies and their performance metrics.

RETAILERS, FOOD - Cont.

RETAILERS, GENERAL

Table listing general retailers and their performance metrics.

SUPPORT SERVICES

Table listing support services companies and their performance metrics.

Table listing support services companies (continued).

SUPPORT SERVICES - Cont.

Table listing support services companies (continued).

TEXTILES & APPAREL

Table listing textiles and apparel companies and their performance metrics.

TOBACCO

Table listing tobacco companies and their performance metrics.

TRANSPORT

Table listing transport companies and their performance metrics.

WATER

Table listing water companies and their performance metrics.

AM

Table listing American companies and their performance metrics.

AM - Cont.

Table listing American companies (continued).

AMERICANS

Table listing American companies (continued).

CANADIANS

Table listing Canadian companies and their performance metrics.

SOUTH AFRICANS

Table listing South African companies and their performance metrics.

AM

Table listing American companies (continued).



GUIDE TO LONDON SHARE SERVICE

Price for the London Share Service are defined by Bond, part of Financial Times Information. Company classifications are based on those used for the FTSE 100 Index. Company prices are shown in pence unless otherwise stated. High and low are based on five-day bid-ask prices. When stocks are denominated in currencies other than sterling, this is indicated after the name. Prices shown for some of these foreign securities are converted to sterling from local stock exchange prices. Symbols referring to global status appear in the notes column. A * in a circle to the left of the name indicates that the company is listed on the London Stock Exchange. Market capitalization shown is calculated separately for each line of stock. High and low are based on bid and ask prices. Dividends and interest rates are shown in pence unless otherwise stated. Dividends and interest rates are shown in pence unless otherwise stated. Dividends and interest rates are shown in pence unless otherwise stated.

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 Island company is a company of Robinson Crusoe 2 a desert island etc 3 an overseas company incorporated in the Channel Islands or the Isle of Man. See ROWE & MAW: asip (ph 0171-248 4282)

Rowe & Maw
 LAWYERS FOR BUSINESS

FINANCIAL TIMES

Weekend November 23/November 24 1996



Singapore opposition leader faces \$18,000 fine for 'error'

By James Kyngain in Singapore

The leader of Singapore's main opposition party faces a fine of \$25,000 (\$18,000) for what he claims was a simple typing mistake.

The city-state's parliamentary committee of privileges recommended the fine yesterday after finding Mr Chee Soon Juan, secretary general of the Singapore Democratic Party, guilty of contempt of parliament.

Mr Chee's transgression was to claim in a document submitted to parliament in August that government spending on healthcare had fallen to 5 per cent of Singapore's gross domestic product in 1990, from about 40 per cent 20 years earlier.

He later admitted that the figure was wrong and that it should have read 25.4 per cent. Mr Chee told the privileges committee that had typing was to blame for the error. "We are all human beings. We make mistakes," he said.

Mr Chee's explanation for the healthcare spending mistake was rejected because "the committee cannot believe that if the 5 per cent was a typographical error, it could have escaped his detection".

The committee ruled that Mr Chee and three party colleagues, who were fined between \$5,000 and \$13,000 each, had tried to mislead parliament.

The case has aroused much interest as Singapore prepares for national elections, which must take place before April.

The ruling People's Action Party is expected to win the polls. The opposition, which has only four seats in the 51-member parliament, is considered too weak to field enough candidates to mount a real challenge.

However, it is less certain that the ruling party will win two-thirds of the popular vote - a level that many Singaporeans regard as an important benchmark of government support.

Observers believe that, if the party receives less than 60 per cent of the vote, it will not be seen to have the mandate to continue the current authoritarian style of government.

Mr Chee, who mounted a by-election challenge to Mr Goh Chok Tong, prime minister, has gained notoriety as a

critic of the government's authoritarianism. He argues that, although obedience and control may have been key attributes in an earlier era of export-led manufacturing, Singapore will not prosper in the information age unless it develops a freer press, listens to tolerant criticism and becomes more open to outside ideas.

He was sacked from his position as a lecturer at the National University of Singapore for allegedly using research funds to post a package abroad.

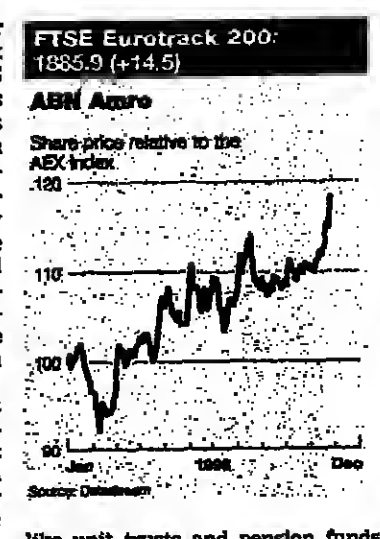
Then he was sued by university officials over comments he made about his dismissal. He lost and had to sell his house to pay damages and costs which amounted to about \$450,000.

THE LEX COLUMN Midwest mergers

ABN Amro's \$1.95bn offer for Standard Federal throws fresh light on the consolidation of the US banking industry. First, the pace is picking up again: this deal follows the merger of two North Carolina banks earlier this month and September's \$9.5bn takeover of BankAmerica's Bancshares of St. Louis by NationsBank. Second, it shows the focus shifting from the east and west coasts to the south and Midwest: the Dutch group's US presence is central in Chicago, while Standard Federal is next door in Michigan, Ohio and Indiana.

ABN Amro is already the biggest foreign bank in the US. This takeover makes it one of the largest banks in the US - ranked by total assets it is now number six or seven. That may look a strange position for a European bank coming from a small home market. But ABN Amro made its first sizeable US acquisition in 1979 and has steadily reinforced its position with bolt-on deals. And its Midwest presence means it has never had to compete directly with the big money-centre banks like Citicorp or Chase Manhattan.

At first sight, the price looks high, at 2.1 times book value. But a mixture of cost savings and changes in goodwill accounting should boost Standard Federal's net income from \$120m last year to \$176m in 1998. On that basis, ABN Amro is paying just 11 times earnings for a bank already making a 15 per cent return on equity and with a loan book of high-quality mortgages. The 4 per cent jump in its shares yesterday looks more than justified.



Like unit trusts and pension funds largely displaced direct private investment which was a prominent feature of the inter-war stock market, but there has been a growing trend to diversification through investment in foreign shares. One could even argue that economic risk has fallen as macroeconomic management has become more responsible. (Next week's UK Budget will be the test of this.)

Why does this matter? Largely because companies typically take academic estimates of the risk premium to calculate their cost of capital, which they then use to judge which investments to approve. An excessive risk premium means overestimating the cost of capital and rejecting good investments. Paradoxically, the search for inappropriately high returns on investment may be holding back shareholder returns.

Equity risk

What extra return do investors require for assuming the risk of holding shares rather than gilts? The standard academic answer, based on calculating the actual premium shareholders have received since the first world war, is 7.8 per cent a year.

But this is almost certainly an overestimate. First, the premium previous generations of shareholders were expecting over gilts was probably lower than what they received - not least because the returns on gilts were eroded by unexpectedly high inflation. Second, today's investors are probably looking for a lower premium than their predecessors because they are better able to diversify their risks. Not only have pooled investments

Axa/Sun Life

One knotty problem resulting from Axa's merger with UAP is the companies' overlapping UK interests: Axa Equity & Law and UAP's 60 per cent stake in Sun Life and Provincial. To retain the status quo would be absurd, since putting the companies together should generate hefty cost savings.

Yet Sun Life's minority investors should not pin hopes on being bought out. For one thing, the merged group is likely to have sexier uses for its capital. For another, Axa is not averse to less-than-100 per cent stakes; it has 51 per cent of Australia's National Mutual and 60 per cent of Equitable Life in the US. And in the UK, Axa could easily pool its two companies without

shelling out cash - through an all-share merger. Indeed, since Axa would end up with a larger stake in a merged company than it will have in Sun Life alone, it could even take the opportunity of raising some capital, while still keeping control. All this would put Sun Life's independent directors to a very public test.

But Axa has another alternative. After all, a merger would have risks - for instance, that brokers put less business through the combined businesses. Selling one of the companies, if a good enough price was on offer, could be just as intelligent an option. And in a consolidating industry, the opportunity could well be there. In short, Axa has every reason to keep its options open. It should pursue a combined solution, but make it discreetly clear that alternatives are equally welcome.

Berisford

A bid for an acquisitive conglomerate is the ultimate corporate insult, but given the sector's recent record it was almost inevitable. The supposed raison d'être of the conglomerate is that its corporate centre spots acquisition opportunities and adds management value to them. A bid for a conglomerate must mean it has done the reverse - or failed to persuade shareholders otherwise. Berisford, the chip fryer to Magnet kitchens company, which yesterday admitted to a bid approach, looks a natural target.

Berisford is a classic conglomerate. Mr Alan Bowkett, its chief executive, took on a shell company when he arrived in 1992, and its shares surged in the expectation of innovative and value enhancing deals. With over \$450m (\$700m) of accumulated tax losses, Berisford offered fuel for growth. But Mr Bowkett fell at the first hurdle with Magnet, which he bought cheaply and then found out why. This was followed by the purchase of Welbit, the cooking equipment manufacturer, which was designed to soak up Berisford's US tax losses but also served up declining margins.

The management's recent struggles will not generate the most obviously robust bid defence. So it is hard to imagine any bidder paying much more than a 10 per cent premium to yesterday's closing price of 151½p, notwithstanding management claims of a suddenly improved trading outlook. Much will depend on whether a bidder can get its hands on the tax losses. Their net value exceeds 50p a share.

Lira set to rejoin ERM after four years

Continued from Page 1

ERM by the end of November, once the 1997 budget had passed through the lower house. The budget was approved last weekend by the chamber of deputies and informal negotiations were immediately set in motion.

All the detailed work on re-entry is understood to have been completed and the move is only awaiting political approval. Italian officials have been arguing that a determined attempt is being made to put public finances in order to comply with the Maastricht criteria so Italy can be in the first wave of countries joining monetary union in 1999.

On the London currency markets, the lira strengthened to L995.2, unchanged from the previous day.

Demand for Italian bonds and the resulting plunge in yields followed increased optimism that monetary union would go ahead. Regardless of when Italy joins monetary union, Italian bonds maturing after it joins will be redeemed in the planned single currency, the euro.

This year the lira has gained 8 per cent, but remains far from its parity of September 1992 when, along with sterling, it was forced out of the ERM with a heavy devaluation.

In recent weeks the Bank of Italy has been intervening to ensure the lira hovers around L1,000 to the D-Mark. This is believed to be close to the central band at which the Italian authorities will seek to negotiate re-entry.

Thyssen to pull out of core activities in restructuring

By Frederick Stüdemann in Berlin

Thyssen, the sprawling German steel, engineering and trading company, has embarked on a large-scale restructuring programme that will see it withdraw from three of its traditional businesses - long steel products, defence equipment and coal and oil trading.

The group, which yesterday reported a 36 per cent fall in pre-tax profits to DM654m (\$496m) in the year to September 30, will still maintain a wide palette of core activities. These will include flat steel products, automotive parts, lifts, production systems and trade tools and equipment trading.

In addition, it regards its construction technology, real estate, industrial services, logistics and telecommunications divisions as potential core businesses, if their profitability can be improved.

The company, Germany's 11th biggest industrial group,

Steel group's move unveiled as profits show 36% decline

said poor trading conditions, particularly in the steel and construction sectors, were behind the sharp drop in profits, which tumbled 65 per cent to DM350m after tax. Sales eased from DM39.1bn to DM38.7bn.

The dividend was cut by DM2 to DM8m prompting a DM2.50 drop in the share price to DM275.50.

Sales in the steel division fell 11 per cent to DM10.6bn, because of a slump in volume and falling prices. By focusing on higher-quality products Thyssen said it had managed to keep its steel division in profit.

Thyssen's industrial activities saw an 8 per cent increase in sales to DM9.1bn. The group's telecommunications business, which last July lost

out to rival Mannesmann in securing a 49.9 per cent stake in DBKöm, the telecoms unit of the state rail company Deutsche Bundesbahn, continued to make losses. No figures were given but Thyssen said the losses were in line with internal forecasts for what is still considered a start-up operation.

The move to restructure was signalled by Mr Dieter Vogel, chairman, earlier this year when he said that all the group's activities would be carefully assessed for their profit potential. Mr Vogel is believed to have set a benchmark of a 12.5 per cent return on equity.

Earlier this year there was speculation that Thyssen might split itself up into three separate public companies following comments from Mr Heinz Krtwek, chairman of the supervisory board, that such a move might be an option in the future.

More recently, however, senior executives have played down such a possibility.

Plan to open spares market

Continued from Page 1

monising the legal protection of industrial design.

Spares such as bumpers and windscreens have different degrees of design protection across the EU. This has prevented development of a single market in an industry worth an annual Ecu10bn (\$12.8bn), according to Ecar.

Car manufacturers, which control more than 80 per cent of the EU market for spares, argue that they invest large sums in design and need to recoup this through control

Child labour

Continued from Page 1

criticised on other labour issues such as low wages for adult workers and poor working conditions. Mr Rubin said the move to tackle child labour would be the first step toward improving the rights of all workers in sports goods manufacturing. "Once we have established a precedent on human rights, we can move on from there," he said.

The summit was attended by Unicef and charities such as Save the Children.

Child labour

over the sale of repair parts. Independent manufacturers say carmakers use design law to stifle competition.

"The move will be seen as an open invitation to carmakers to use design litigation for the purpose of stifling competition and trade between member states," said Mr Hughes. "Such an outcome would be a major setback for spare parts industries which cannot survive within the national boundaries of those countries which eventually do decide to adopt liberal regimes."

Child labour

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The summit was attended by Unicef and charities such as Save the Children.

FT WEATHER GUIDE

Europe today

It will be unsettled over large areas of northern and north-western Europe as a disturbance causes cloudy periods and wintry showers in the Benelux, western Germany and northern France. Wintry showers will also develop along the west coast of England and Ireland, while snow is expected in Scotland and over large parts of Scandinavia. Another disturbance will produce cloud and showers in the central part of the Iberian peninsula, Italy and Greece. It will be wet in Romania and Ukraine. The area between the Alps and Poland will have some dry and sunny periods.

Five-day forecast

North-western Europe will continue to be unsettled with rain and showers in the Benelux, northern France, western Norway, Scotland and Ireland. Cloud and rain will move across the alpine countries towards eastern and south-eastern Europe. It will be dry with occasional sunshine on some days.

TODAY'S TEMPERATURES

Abu Dhabi	fair 29	Abu Dhabi	fair 29	Abu Dhabi	fair 29
Azores	sun 21	Bangkok	fair 29	Bangkok	fair 29
Algeria	fair 21	Berlin	fair 17	Berlin	fair 17
Amsterdam	sun 21	Bombay	sun 34	Bombay	sun 34
Athens	fair 20	Buenos Aires	sun 25	Buenos Aires	sun 25
Bahia	sun 25	Calcutta	sun 25	Calcutta	sun 25
Bahia	sun 25	Cairo	sun 22	Cairo	sun 22
Bangkok	fair 29	Chengde	sun 22	Chengde	sun 22
Barcelona	fair 15	Cape Town	fair 20	Cape Town	fair 20
		Caracas	fair 30	Caracas	fair 30
		Cardiff	sun 17	Cardiff	sun 17
		Casablanca	sun 17	Casablanca	sun 17
		Chicago	sun 17	Chicago	sun 17
		Cologne	sun 17	Cologne	sun 17
		Dakar	sun 27	Dakar	sun 27
		Dallas	sun 27	Dallas	sun 27
		Delhi	sun 25	Delhi	sun 25
		Dubai	sun 29	Dubai	sun 29
		Dublin	sun 15	Dublin	sun 15
		Durban	sun 22	Durban	sun 22
		Dzhanibek	sun 14	Dzhanibek	sun 14
		Edinburgh	sun 15	Edinburgh	sun 15
		Faro	sun 19	Faro	sun 19
		Frankfurt	sun 17	Frankfurt	sun 17
		Glasgow	sun 17	Glasgow	sun 17
		Hamburg	sun 17	Hamburg	sun 17
		Helsinki	sun 17	Helsinki	sun 17
		Hong Kong	sun 27	Hong Kong	sun 27
		Honolulu	sun 27	Honolulu	sun 27
		Isanbul	sun 18	Isanbul	sun 18
		Jakarta	sun 32	Jakarta	sun 32
		Jersey	sun 18	Jersey	sun 18
		Karachi	sun 27	Karachi	sun 27
		Kuwait	sun 27	Kuwait	sun 27
		L. Angeles	sun 27	L. Angeles	sun 27
		Las Palmas	sun 21	Las Palmas	sun 21
		Lima	sun 23	Lima	sun 23
		Lioban	sun 18	Lioban	sun 18
		London	sun 15	London	sun 15
		Luxembourg	sun 15	Luxembourg	sun 15
		Lyon	sun 15	Lyon	sun 15
		Madrid	sun 21	Madrid	sun 21
		Manila	sun 27	Manila	sun 27
		Moscow	sun 18	Moscow	sun 18
		Muroran	sun 18	Muroran	sun 18
		Nairobi	sun 27	Nairobi	sun 27
		Naples	sun 18	Naples	sun 18
		Nassau	sun 27	Nassau	sun 27
		New York	sun 18	New York	sun 18
		Nice	sun 18	Nice	sun 18
		Nicosia	sun 24	Nicosia	sun 24
		Olelo	sun 18	Olelo	sun 18
		Osaka	sun 18	Osaka	sun 18
		Paris	sun 18	Paris	sun 18
		Perth	sun 21	Perth	sun 21
		Prague	sun 18	Prague	sun 18
		Rangoon	sun 27	Rangoon	sun 27
		Reykjavik	sun 18	Reykjavik	sun 18
		Rio	sun 27	Rio	sun 27
		Rome	sun 18	Rome	sun 18
		S. Francisco	sun 18	S. Francisco	sun 18
		Seoul	sun 18	Seoul	sun 18
		Singapore	sun 31	Singapore	sun 31
		Stockholm	sun 18	Stockholm	sun 18
		Strasbourg	sun 18	Strasbourg	sun 18
		Sydney	sun 18	Sydney	sun 18
		Taipei	sun 24	Taipei	sun 24
		Tel Aviv	sun 18	Tel Aviv	sun 18
		Tokyo	sun 18	Tokyo	sun 18
		Toronto	sun 18	Toronto	sun 18
		Vancouver	sun 18	Vancouver	sun 18
		Vernon	sun 18	Vernon	sun 18
		Vienna	sun 18	Vienna	sun 18
		Warsaw	sun 18	Warsaw	sun 18
		Washington	sun 18	Washington	sun 18
		Wellington	sun 18	Wellington	sun 18
		Wiening	sun 18	Wiening	sun 18
		Zurich	sun 18	Zurich	sun 18

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2 Fidelity European Opportunities Trust	4*		2nd	1st
3 Fidelity European Trust	4*	AAA	1st	1st
4 Fidelity International PEP Trust	5*		1st	1st
5 Fidelity Managed International Trust	5*	AA	1st	1st
6 Fidelity MoneyBuilder Plus	5*		1st	1st
7 Fidelity Recovery Trust	4*	AA	1st	1st
8 Fidelity South East Asia Trust	4*	AA	1st	1st
9 Fidelity Special Situations Trust	4*	AAA	1st	1st
10 Fidelity UK Growth Trust	5*	AAA	1st	1st

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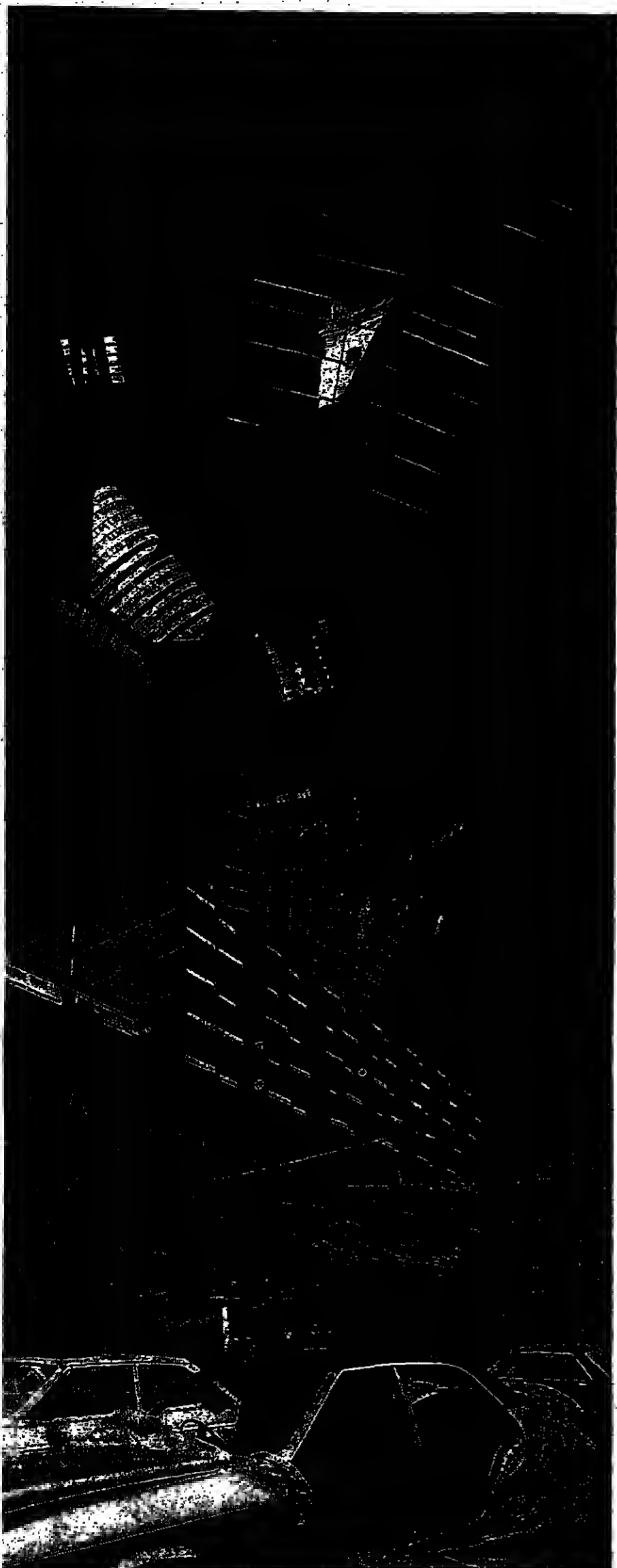
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Weekend FT



The renaissance of inner-city life is happening all around us – a kind of urban warming by popular choice, says Colin Amery

The brighter lights of the big city

Cities are like mirrors. More than a reflection of fashion, they give a fair impression of the current phase of evolution. The compelling vision of the metropolis has inspired historians and observers, from the author of the Book of Revelations to the writer of pulp fiction, who have embraced the conflicting ideas of city as the apex of civilised values or a violent mixture of Sodom and Gomorrah. It is apocalyptic or spocalyptic.

But something has happened. The balance is shifting decisively towards the brighter vision. From crime-ridden, grubby, uninhabitable space, the metropolis, the "mother city", is being seen as somehow welcoming. Suddenly, the suburbs are the relative losers. They are in-between regions, neither in nor out. Life thrives at the centre.

Generalisation is impossible and inevitable. Crime still puts parts of some cities, particularly in the Americas, off limits to all but the ridiculously naive. But the image of the city, the Manhattan model, mixed with London, Berlin and a bit more, has changed. The end of communism has also removed scales from eyes. Prague, Budapest, St Petersburg are re-emerging as bustling centres of huge cultural and commercial significance.

In Sodom itself, New York, the statistics look better. For the first time since 1968, the number of murders this year is likely to be fewer than 1,000, down from the 2,245 homicides in a crack cocaine-infested 1990. They are only figures, and well massaged they may be, but they reflect the perception of a somehow safer environment.

In London, Scotland Yard is sanguine, if that is the word, about murder, which has remained fairly static – never below 160 and never above 200. On "minor" crime, the London Metropolitan Police this week adopted the New York tactic of "zero tolerance" towards junkies, prostitutes, vandals and beggars in the hope of creating an environment less conducive to major crime.

commitment to public safety in cities contrasts with the growing sense of unease felt in arcadia. Country Life – the UK journal of well-heeled rural folk and of dentists – last week revealed the "true extent" of countryside crime, which increased 70 per cent in the period from 1984 to 1994. City offences rose 30 per cent during the same period. The magazine told of collapsing communities, alienated youth, and drug abuse, once recognised as unmistakable characteristics of urban decay.

There is a recognition in London that the town should be retaken by the citizens, perhaps through the appointment of a powerful and elected mayor. There could be room for a figure like San Francisco's Willie Brown, its first black mayor, credited with single-handedly turning around the city's sense of itself after a year in office.

Brown treats his city as a giant village, dances in its clubs and sits in the council chambers celebrating a true urban greatness in the richness of its ethnic mix. He has given San Franciscans, especially his fellow blacks, a sense that the ordinary citizen has a personal relationship with the mayor.

London is not as measurably small as San Francisco, and it is hard to imagine an intimate relationship between average citizen and lofty lord mayor. But there is already a sense of renewal, even if the recent blitz of international publicity for Bond Street, the new street of dreams, misses the point. The social commentators cannot see the forest for the bright lights of the designer windows.

The resurgence of shopper sophistication may be a fashionable phase of the economic cycle, and induces the tingling of the feelgood factor. And it is true that without economic growth, the revival of the city would lack a firm foundation. But wealth generation has meant that citizens and developers have a greater range of choices, and, in London, they are choosing the centre.

Hard evidence is to be found in the plans and blueprints of developers and architects in London and

other cities. The most intriguing trend is the replacement of industry and commerce in and near the city centres with residential accommodation. Lofts, warehouses and even office buildings and hospitals are being converted into homes. Not any old vacant building on the outskirts, but central warehouses and office buildings fallen on hard times and reincarnated as apartments.

And there are the grand architectural gestures, confident assertions of the city's health. Sir Norman Foster, the architect, has proposed a 73-storey millennium skyscraper on the old Baltic

Exchange site, while there are plans to remodel 34-storey Britannia House with the addition of a giant cantilever. And, in the civic spirit, Sir Norman has also been asked to make the tract from Trafalgar Square to the Thames more pedestrian friendly.

Money for urban residential development is flowing beyond the British capital. Manchester's post-IRA bomb redevelopment is based on city centre shopping but the winning scheme included a big increase in residences on the pedestrianised streets. At Brindley Place in Birmingham, the developers, Argent Group plc, aim to make 17 city centre acres into the "safest best maintained area in Birmingham".

Where there is money and an underlying trend, there is always a danger of bubble trouble. There were reports of "panic" buying of houses in London this week. And aggressive Hong Kongers bought 46 of 66 apartments over the last fortnight at the Little Adelphi complex, near The Strand. This very day, the old Shell "downstream" building, near Waterloo Bridge, goes on the market as the White House – 384 apartments for which plan-

ning permission was granted earlier this month.

But to live in the city is a lifestyle choice, not merely an investment decision. It was Benjamin Disraeli who wrote that, "London is a nation, not a city". He was more right than he could ever have realised. Today London, and other large cities, are like empires full of all races, religions and refugees. The romance of empire is on your doorstep every morning. Resentment of osw arrivals has turned into a celebration of cosmopolitanism and complexity.

The great triumph of London, largely unseen, is its transformation from Imperial capital to world city. Immigration has been one of the success stories of our time – British tolerance combined with a determination to protect a deep sense of privacy – has allowed an enrichment of urban life which is truly sophisticated. Racism remains but the concept of ethnic equality is unchallengeable.

It was possible last year in London to attend the opening events of the largest Hindu temple outside India. To see fluttering pennants on elaborately carved marble towers, and celebrate with hundreds of Hindu pilgrims was exhilarating.

With a friend, I was given a guided tour of the gleaming shrines by two vociferous and elegant young men, skilled temple dancers and postgraduate students at the London School of Economics. I left the temple covered in the rose petals of a cosmopolitan centre.

It helps to have money in the city, but there is ample evidence that standards of urban life are improving for the majority. The high-rise dweller and the Sloane Ranger have the same access

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Joe Rogaly

Our puppets must lead

Direct voting need not be a substitute for responsible decision-making by politicians

Most politicians are Pinochios, but some have longer noses than others. You know that, but think of the cannolly. The wooden boy, star of a new film, represents more than a teller of fibs. He was made to be manipulated. If our elected representatives allow themselves to become puppets, we are in charge. We pull the strings.

Contemplate for a moment what that could mean. The world may be a generation away from direct democracy, with every voter's fingers on a mouse. "Do you want the secretary for agriculture held upside down in boiling oil?" the screen will ask, and the nation, as one, will click "yes yes yes". I say this by way of illustration. I have no particular farmers' friend in mind. Well, just one...

The hard-copy version of the wired town hall meeting is the referendum. The results of its use are not usually as satisfactory as suggested in the electronic simulation above. Yet direct voting need not be a substi-

ute for responsible decision-making by elected representatives.

The Swiss govern themselves partly by plebiscite. Californians, sometimes approve propositions that appease humanity's darker instincts. Italians vote to change their electoral system. Australians, the jest runs, greet new proposals with a "yes" and vote them down anyway.

In Britain, referendums are viewed with suspicion. There is no written constitution setting the rules for popular consultations. Parliament decides everything – or, to put it another way, a cabinet that can command a majority in the House of Commons does what it pleases. Administrations go to the people, when their party is divided, or they are afraid of the consequences of taking a clear-cut position.

As James Callaghan famously said, a referendum is "a rubber life raft into which we may all have to climb". The former Labour prime minister was alluding to issues that matured in

the 1970s, but he could have been speaking of the undertaking by the two major national parties to hold a plebiscite if, in government, they propose to cancel sterling and replace it with a single European currency.

These promises require interpretation. There will be a Euro-referendum if the government of the day is sure that the answer will be "yes". For this to happen the cabinet and the party in office must be on side. That is why, in spite of the fuss, there may be no Euro-poll this century.

The Conservatives could not re-ignite for such an event. Labour would be hard-pressed to contrive it. In short, neither party is likely to jump the referendum hurdle in time to take the pound into the Euro by 1999. As for 2002, that is quite far ahead.

This does not mean there will be no referendums at all. The Conservatives will consult the local electors about any settlement that may be agreed in Northern Ireland. Labour says it will call for popular votes on

Scottish devolution, electoral reform, a new authority for London and regional assemblies.

In short, the life raft is in danger of becoming waterlogged. If you include the hypothetical Euro-vote, it already contains the government, the Labour party and, as first arrivals, the Liberal Democrats. The latter are clear, sort of, about their pro-European views but Labour and the Conservatives are prevaricating, lengthening their oars, counting every moment until the general election that can be but half a year away and may be sooner.

Unsurprisingly, they are not trusted. Where there is mistrust there must be regu-

lation. If future polls are to be accepted as valid they must be run according to rules generally regarded as fair. The commission on the conduct of referendums, whose report was published on Thursday, offers 20 guidelines. Chaired by Patrick Nairne, we concluded that an independent body, set up by law, should oversee referendums.

As second permanent secretary in the cabinet office in the mid-1970s, Sir Patrick ran the 1975 poll that confirmed the United Kingdom's membership of what was then referred to as the Common Market. A courteous mandarin of the old school, he is at home with the proposition that political issues must be decided by the government of the day, through parliament.

The rules we devised would, nevertheless have been useful in 1976. Incorporated in a general referendum act they could become the standard procedure for future British referendums. It may be that the 1975 Euro-poll was fair, but today's sceptics doubt it.

Our proposed referendum supervisors would advise on the wording of the question, arrange for public information about both sides of the issue, oversee the nuts and bolts of the campaign – in short, ensure fair play in a manner that the Australians, Swiss, and others take for granted. There must be no room for quibbles about future results.

All of this is in preparation for the hypothetical Big One – the vote that could take Britain out of the EU. You may question whether there will be such a referendum. I am not sure myself. But the idea is in the London air. It could be that sceptics take over a defeated Tory party next summer, and campaign on a withdrawal platform thereafter. This is the dream of a growing number of them.

It is more likely to come true if the pro-EU politicians fail to turn public opinion. Our puppets must be leaders, or they will over become real flesh and blood. *From The Constitution Unit, 4 Tavistock Place, London WC1H 9RA.

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PERSPECTIVES

The Nature of Things

New mission for Sonic and family

Hedgehog genes, key players in cell formation, may have medical applications, says Clive Cookson

How does a newly fertilised human egg, consisting of a single cell, develop into a baby with billions of cells, each playing a specialised role in organs as different as the brain and stomach, skin and bones? Twenty years ago, the development of an embryo was a total mystery. The first glimmers of understanding appeared in the late 1970s, but it is only within the past five years that developmental biologists have begun to discover in detail how cells know where they should be growing and what they should be doing. Hedgehogs turn out to play a key role in the process. Not real prickly creatures but a family of genes called *Sonic hedgehog*, *Indian hedgehog* and *Desert hedgehog*. (Geneticists have a habit of giving silly names to the genes they discover - and writing them in italics; the corresponding proteins have the same names in roman text.)

Altogether, hundreds of genes work in concert to determine embryonic development. But the *hedgehogs* are particularly important. They produce signalling proteins, which are secreted by organising cells in the growing embryo and tell other cells how to develop. The exact response of the target cells depends first on whether they have appropriate receptor proteins on their surface, which enable them to tune in to the signals, and then on the concentration of hedgehog protein to which they are exposed. For example, *Sonic hedgehog* induces the formation of toes at

the end of an embryonic foot. There is a concentration gradient, so that a big toe grows where there is a weak signal and small toes where it is strong. In the developing spinal cord, the dose of *Sonic hedgehog* determines whether cells turn into nerves or supporting structures. The original *Hedgehog* was identified in 1980 in the fruit fly *Drosophila* - a favourite species for genetic research because it is easy to handle, it breeds quickly and its genes are arranged in four unusually large chromosomes that show up well under the microscope. The gene's name came from the fact that certain

mutations in it led to flies with a hristly, rounded appearance, somewhat reminiscent of a hedgehog. Then, in 1993, scientists from the Imperial Cancer Research Fund in the UK and Harvard University in the US discovered that higher animals had three *hedgehogs* doing an equivalent job to the original gene in *Drosophila*. The discovery coincided with the craze for a computer game character called *Sonic Hedgehog*, whose name was given - for no reason other than what scientists politely call whimsy - to one of the new genes; the other two were named

after real hedgehog species. Although researchers are just beginning to map out the three genes' activities, they already know that *Sonic hedgehog* plays a particularly important role in the brain and nervous system and in the growth of limbs. *Indian hedgehog* is responsible for the development of cartilage and bone. *Desert hedgehog* is active in the male reproductive system and generates sperm. This autumn has been very fruitful for *hedgehog* researchers, with several important discoveries announced. Perhaps the most interesting is the finding by scientists at Johns Hopkins

University in Baltimore of a remarkable link between *hedgehog* proteins and cholesterol, the fatty molecule that can, in excess, contribute to heart disease. They showed that the action of *hedgehog* depends on its forming a chemical bond with cholesterol. Among other things, the cholesterol anchors *hedgehog* in place and prevents it *diffusing* too far from the cell that produced it. This discovery explains why children with a rare syndrome that prevents them making cholesterol suffer from a range of birth defects. The *hedgehogs* could have

medical applications, because they continue working after the embryo has developed. They influence the regenerative processes that keep our bodies working throughout our lives. A biotech company, Ontogeny, was set up in 1994 in Cambridge, Massachusetts, to exploit discoveries in developmental biology. It holds the key *hedgehog* patents from ICRF and Harvard. Their commercial promise became clear this year when Ontogeny agreed to two separate collaborative deals (with Biogen and Boehringer Mannheim) worth a total of \$120m (£70m). The idea is to use the *hedgehog* proteins to repopulate cells that are missing or out of balance. Research projects include repairing weak or broken bones, stimulating the growth of brain cells to treat degenerative diseases such as Parkinson's and Alzheimer's, and curing male infertility. But the work remains speculative.

Minding Your Own Business

Ups and downs of a secret service

Clive Fewins on an expert in the cloak and dagger world of selling companies

Between 1983 and 1988 Nigel Chapman sold himself out of a job three times. Eventually he realised that selling companies was his forte, and since 1988 he has been the owner and main director of Confidential Assignments Ltd, which he runs from a small office in Lowestoft, Suffolk. In the past three years business has been so bad - fee income dropped last year from a 1991 high of £135,000 to £29,000 - that in March 1996 he had to dispense with the services of his long-time secretary and administrator. She now assists him part-time. However, things are on the up. In the first five months of this trading year, turnover was £50,000. Chapman usually expects to make a net profit of around 50 per cent. The reason for the improvement is that Chapman has been concentrating on selling fewer, but bigger companies. A big sale earlier this year brought in a commission of £43,000. He now concentrates on companies with net assets of more than £500,000 and making profits of not less than £200,000. He attributes the decline in his business to companies' poor profit levels during recession, which meant that owners chose to retain their enterprises rather than sell. The other reason has been the large fall in interest rates since 1993. "Owners have found that if they were to sell, the income produced by the capital they invested would often be lower than the earning potential of the company," Chapman said. "In addition, the low rates have meant the cost of buying an annuity has risen dramatically." The roller-coaster nature of Chapman's business reflects the ups and downs of his career. Now 49, he worked as a milk roundsman after he left secondary school in Southwold, Suffolk, aged 15. After four years Chapman left to become a commission-only salesman for Alpine Double Glazing. He progressed from door-to-door sales to regional manager. He left in 1972 to set up his own Ipswich-based double glazing company. Ten years later, when turnover had risen to £2m, he sold out for



Private and confidential things are looking up for Nigel Chapman whose payouts are large but infrequent

£250,000 to a Leicester-based conglomerate, CIS Holdings. He became group commercial director, but within a few months advised his chairman to sell out to the Pilkington Group. He left just before the Pilkington takeover to become an independent marketing consultant, but eight months later joined Knipping International, a privately owned German company making extruded PVC materials for the window and door industry. Four years later Chapman advised the chairman of Knipping to sell out to a large Derby-based company. His fee for negotiating the sale was a year's salary, which he used to start Confidential Assignments. Chapman considered Lowestoft, where he was living at the time, an ideal base. "Lowestoft was recently voted the most boring town in Britain. People tend to think nothing happens here," he said. "It is therefore a rather good place for the headquarters of a somewhat cloak and dagger operation." "The key to my work is secrecy. From my experience of selling my own company, when I had 120 staff, and managed to keep the sale secret until the very last moment, I know that owners of small companies are absolutely paranoid about secrecy if they are intending to sell out.

"This is usually because it can easily take up to nine months to find a buyer, and if staff and suppliers get to know a sale is likely to cause uncertainty and under-performance and can also reduce the value of the company." In 1988, Chapman found his first customers by placing an advertisement in trade journals announcing his deal on behalf of Knipping. "As a result I was approached by several blue chip companies saying they were interested in making acquisitions," he said. "They would write a specification and I would use business information databases to contact selected companies, saying that I had a client who might be interested in purchasing their business." His letters went to great lengths - they still do - to disguise the client company. They might change the location of the busi-

ness, the turnover, the age of the owner, or even add some products that are not in the company range. Nowadays Chapman prefers to be retained by owners of companies who wish to sell. He says he has more of an interest in achieving a good price for these people rather than buying at the lowest possible price for an acquisitive, large organisation. "I often take a box number in the FT on behalf of client companies, as well as sending mailshots to people I think might be interested in buying," he said. "Respondents receive a letter giving details of the company for sale. Again, it will be written in such a way that neither prospective purchasers nor employees of the business for sale will be able to identify the company." Chapman has been involved in buying and selling 48 companies in this way over the past eight years. His latest deal was this summer, when he negotiated the sale for £1.8m of a Lancashire-based distributor of bathroom equipment to a large builders' merchant. He is at present working for a German client whom he has never met. He is confident that he will be able to sell the man's company for about £2m (£1.6m).

"I enjoy the work because of the personal empathy I find I have with the owners of small companies," Chapman said. "I can often identify with their problems as I have been there myself." "Life can be tricky because the payouts are large but infrequent. It can be as long as two years between payments, which makes my accounts look extremely odd. However, if you handle your money carefully this really doesn't matter." Confidential Assignments Ltd, Beech House, 158 Yarmouth Road, Lowestoft, Suffolk NR32 4AB. Tel: 01502-501050.

Truth of the Matter

Storm in a cathedral

Harry and Bob share an apartment. They have lived in an amicable partnership for 15 years. Both are highly regarded in their chosen professions. Bob is managing director of a graphic design firm, and is a generous and thoughtful employer. Most of the 30 people who work for him regard him as a personal friend. "He is absolutely straight," one of them told me. Except for the fact that he is gay and does the *flowers* in church each Sunday. Harry is also much admired in his work. He is a wise counsellor, a gently humane and thoughtful man of manifest integrity and obviously loved in the community where he works an average 70 hours a week. "The best vicar we've ever had," according to one of his churchwardens, Bob and Harry are deeply fond of and faithful to each other. Yet, according to some church people, they are both gross sinners and should not be allowed in the building - let alone be ordained. How is it that people of such manifest human goodness can cause such moral outrage among the conservative Christians who campaigned so bitterly against the service for gay and lesbian Christians in Southwark Cathedral? Homosexuality is an issue that arouses deep passions - not only in the Church but in the wider community. According to some doomy prophets it will split the Church. But, as so often, latent conflicts in the community surface and come to a head in the Church. Amid so much passion and invective it is difficult to keep a cool head. But if the Church is to steer a course which avoids shipwreck, cool heads and a willingness to listen to ethical arguments with detachment will be essential. Not only for the Church. There is a deep and widespread antipathy to homosexuals throughout society which manifests itself in physical violence, discrimination and degradation. The dispute in the Church is a vicarious debate for which there is no forum in the secular community. There are many echoes of the debate about the ordination of women. Although opponents declared - and still declare - that there are deep theological and moral issues at stake, most of its advocates were convinced that the irrational frenzy of its opponents was a symptom of ancient sexual and cultural taboos. Then, too, its opponents took refuge behind the authority of the Bible and church tradition. But both those ramparts are notoriously impenetrable and open to a wide variety of interpretations. In the Church, the homosexuality battle is being fought on the same grounds of Bible and tradition versus contemporary culture and humanist reason. But it, too, carries a load of pathology and psychological explosives which muddy the waters. We need to remember that Hitler wanted to exterminate all homosexuals just as much as all Jews, and the mass of people agreed. Moreover, the evidence is not clear. There is a wide spectrum of homosexual behaviour from lifelong stable partnerships (such as Harry and Bob's), to a sleazy promiscuity and paedophilia at the other, which is obviously pathological and

Can immature people be 'pushed' into a homosexual orientation?

wicked. But exactly the same spectrum is visible in heterosexual relationships - including paedophilia. It is grossly distorting to identify and contaminate the decency and fidelity of partners like Harry and Bob with the sleazy world of rent boys. However politically correct we try to be, that sort of and destructive world is a nasty reality - and we have to notice that some gay people claim that such promiscuity is an essential and acceptable part of their own orientation. It is not only Christians who object to that. It is similarly distorting to tarnish the stable and loving partnerships of unmarried heterosexual couples by calling them "fornication" and so linking them implicitly with the sleazy promiscuity of the one-night stand or the sex clubs. Morally, they are worlds apart. What matters is the quality of relationships between persons. Loving fidelity is surely the name of the game. The gulf is between those who see morality as a system of pre-ordained rules and boundaries and those who see the moral universe primarily as a network of quality relationships. We need both, for society must have boundaries, but my reading of the New Testament gives a clear priority to relationships over rules. But even when that preliminary clearing of irrational prejudice and homophobia has been achieved, society is still left with decisions for which we have little conclusive evidence and no rules. We are still unclear about social, biological and genetic factors, nor what weight should be given them. Is it psychologically a matter of indifference whether a child is brought up by two same sex "parents"? Is it socially and biologically a matter of indifference whether the community gives equal status, value and recognition to same sex partnerships? Can immature people be "pushed" into a homosexual orientation, and does it matter if they are? Is there something unwholesome about a sexual partnership between a middle-aged man and a youth barely out of his teens? What do we know is that there is a huge amount of hidden human agony. We need the public debate. But where can it take place? I applaud the courage of the Provost of Southwark in agreeing to welcome the Gay Christian Movement into the cathedral. What would it have signalled if he had refused? But I also recognise the genuine anxieties as well as the irrational phobias of those who fear that the Church may have given sustenance to some aspects of the gay scene which are not only incompatible with the respect for the sanctity of relationships, which is at the heart of the Gospel, but are pathological and destructive. On the whole the risk was worth taking.

Hugh Dickinson

Brighter lights of the big city

Continued from Page 1

to the silver counters of Pret-a-Manger, the cutting-edge coffee and sandwich chain in London. The coffee shop culture of Soho, the London and New York versions, is open. A free day has its cultural highs and lows. In New York it is as easy to study classical Praxiteles as it is to buy crude pornography. But it is the highs that count and while you may not be able to go to Versailles from Manhattan you can study the art and furniture of France in the Wrightsman rooms of the Metropolitan Museum in a way that is just not possible in Paris. It is certainly easier to look at Egyptian art in New York and London than it is in Cairo, and no hakhshish. And it is impossible to enjoy

painting with any regular seriousness unless you live in a great city. London has the most accessible and intelligent national gallery in the world - and it is free. Looking at paintings in Malibu just is not the same - what is the point of riding in an electric car to see the Getty Museum on top of a mountain in Los Angeles? Art out of the context of cultivated and cosmopolitan surroundings loses much of its point. High culture may be the cream in the urban coffee but it is the true flower of our urban civilisation. Look this weekend in London alone. It is so easy to take for granted that you can go on The Grand Tour at the Tate Gallery; stretch your imagination with the etiolated sculptures of Giacometti at the Royal Academy. Great Rubens landscapes

hang on exhibition at the National Gallery. Living in the centre is like residing in a great house with many and varied rooms. Within yards (or metres) of your bed is almost everything a civilised man or woman can need. But as with any house, your city must be well serviced. And this is where London is lacking. True urbanists expect all services at all times - and the secret of the success of the 21st century city will undoubtedly be paramount for the pedestrian and efficient, non-polluting, democratic transport for all. And what of the suburban dream? Is the idyll over? The suburbs remind me of Winston Churchill's view of the architect Alfred Bossom - "Bossom, Bossom, what kind of a name is that? Neither one thing or the other." It is

anything to happen, too secret to be safe, too spacious for any culture of congestion. It was hoped that the suburbs would become miniature towns with their own high street. But the out-of-town supermarkets and the ever-larger, edge-of-city malls for the car-borne have demolished that dream. Soon enough, tele-banking, tele-insurance, tele-everything will create a Potemkin high street, existing for the occasional corporate contact but not as the real centre of business. The sprawl is ready to contract, so let us contemplate the gradual demolition of the suburbs to create countryside again around the great cities. The prospect is a glorious one, and perfectly possible because the 19th and 20th centuries have left us too many buildings in our cities.

At a site targeted by the Prince of Wales, who said that property developers had done more damage than the Luftwaffe. Any exhibition should focus on the renewal of the city at its heart. The renaissance of inner-city life is the future. It is happening all around us now - a kind of urban warming that is happening by popular choice. The recession seems to have given cities like London and New York the time to ponder their fate, and the recovery has provided the resources to clean themselves up and make us aware again of their beauty and convenience. It is time for a new Cities Beautiful movement, running for the next thousand years. Well-run cities mean well-run lives, but order need not rule out romance - in the city you can have both. They are the fabric of our souls and nurtured they will flourish. All the evidence is that the flight from the cities is over and that they are taking wing.

Chess No 1152: 1 h4 Evg7 2, GM 16 9-Rab+ K7 4 Ch5+ 10b6 5 Rb8 mate. The 14 move shows the 19th century of chess.

PERSPECTIVES

Threats and promises

Scheherazade Daneshkhu returns to a childhood home, Iran, that has survived a revolution

Iran is the home of the Mad Mullah, where crowds of angry black-crowled women froth and foam and curse the Great Satan of America, and threatening, heeded men beat their heads in remorse or plot acts of terrorism. As an Iranian, albeit one who has spent most of my life outside the country, the television images and my perceptions are strangely disconnected.

Arriving at the airport, I walked past excited people holding flowers to welcome friends and relatives and stepped into the chaos of Tehran - the second visit within a year after a 15-year absence, but this time for three months in an attempt to get closer to the "real" Iran.

In some ways, crowded, polluted Tehran with the crazy drivers has hardly changed since the 1979 revolution but in others, it is unrecognisable. The city looks "Islamic" in the same superficial way that it tried to look European under the Shah. Women, mostly wearing practical black, cover their hair. Some obey the spirit of the law, while others have loosely tied scarves, allowing hair to escape in to public view, obeying only the law's letter.

The men look austere but the old Iranian sense of humour is firmly in place and it does not take long before a complete stranger cracks the latest joke, usually at the expense of the government. And while the clerical leaders introduced a relatively severe interpretation of Islam after the 1979 revolution which overthrew the Shah, they have been quick to condemn the Taliban and their fanatical policies in Afghanistan, where women have been denied the right to education or work, as a "disgrace".

Within Iran, few can be bothered to get excited about politics - 17 years of revolution, martyrdom, high inflation and limited fun have made Tehran's cynical and impatient for a better way of life. Before the revolution, Abbas, a taxi driver, ferried passengers to the Caspian Sea, Iran's seaside playground, four hours away through the mountains north of Tehran.

"I charged 900 rials and with that money I'd buy four tyres with change to spare," he says. "Now, I charge 6,000 rials but I'd have to do the journey six times to be able to buy just two tyres." Workers on fixed salaries find it tough coping with

inflation. The average monthly wage of IR400,000 (280) is barely enough to pay the rent on a small flat and government subsidies on essential goods such as tea, sugar and cooking oil are being lifted in line with recommendations by the International Monetary Fund. Most people survive by going into work in the morning and doing another job in the afternoon.

Lack of pay has led to a distinctly "jobs worth" attitude in most government offices. *Hamshahri*, the popular Tehran daily, found in a recent survey that office workers do only one hour's productive work a day. I could have done this after visiting a district office. The supervisor, sitting behind a desk with Iran's flag on it and opposite a blow-up of Ayatollah Khomeini's birth certificate, said I needed another document. As I asked him to explain, he had already buried his head in a copy of *Hamshahri*.

Another source of discontent is the arbitrary imposition of law. On weekend nights many of the main crossroads in Tehran are policed by revolutionary guards who randomly stop cars and interrogate, albeit politely, their passengers. The guards are on the lookout for drinkers or for couples who appear to be intimate but unmarried. The penalty could be a few hours trapped in a police station or a flogging.

The atmosphere in the streets is edgy - a nervousness induced by not being sure if you are inadvertently doing something wrong. It extends even to the home, particularly at large parties or weddings, when loud music can attract the attention of the authorities, leading to harsh penalties if alcohol is found or women with uncovered hair are mingling with men who are not close relatives.

One night I was travelling with some elderly relatives when our car was stopped by boys, some in their early teens, with Kalashnikovs. "Where are you going at this time of night?" asked one youth of my grey-haired companions. After he waved us through, my relation was

fuming. "Instead of being in bed hours ago that kid is holding a gun and asking someone old enough to be his grandfather why he is out past midnight - what a crazy country we live in," he said.

All 23, has grown a beard because it might help when dealing with officialdom since facial hair has become a symbol of sympathy with the government's religious leaders. To balance the image, he sometimes wears a pair of Versace sunglasses.

He has managed to get into Tehran University despite fierce competition and a quota system reserving up to a third of places for the families of soldiers,

"martyrs", who died in the eight-year Iran-Iraq war. But Ali wants to live abroad. "The revolution happened 17 years ago yet we all still have to be revolutionary," he said. "Instead of solving the country's problems, the government spends most of its time checking up on what people are wearing."

It is just this sort of attitude that the government is anxious to prevent spreading. But officials are divided about the best way of carrying the revolution forward. Some, like Ayatollah Ali Khamenei, believe it can only be preserved through imposing the interpretation of Islam laid down by Ayatollah Khomeini. Others favour more professionals in government - those who have risen through education and training - to solve the country's economic problems instead of clerics.

The latter view is widely shared among the public and is voiced even by humbler clerics. At a funeral at a small mosque, the clergyman initially spoke of the need for fewer slogans and more work to build up the country's industrial base. After a few blessings, his sermon broadened out to the virtues of education.

Much to the assembly's surprise he implored them not to donate money to mosques of which thousands have sprouted since the revolution. "If you want to be charitable, build schools instead of mosques," he said. "Our schools are overflowing but our mosques are empty."

He went on to question why the country's industrial base was so weak. "All anyone does is chant 'Death to

America'. America dropped two nuclear bombs on Japan but the Japanese never said 'Death to America'. Instead, through the strength of their industry they have dealt America a blow. That is the way to extract revenge."

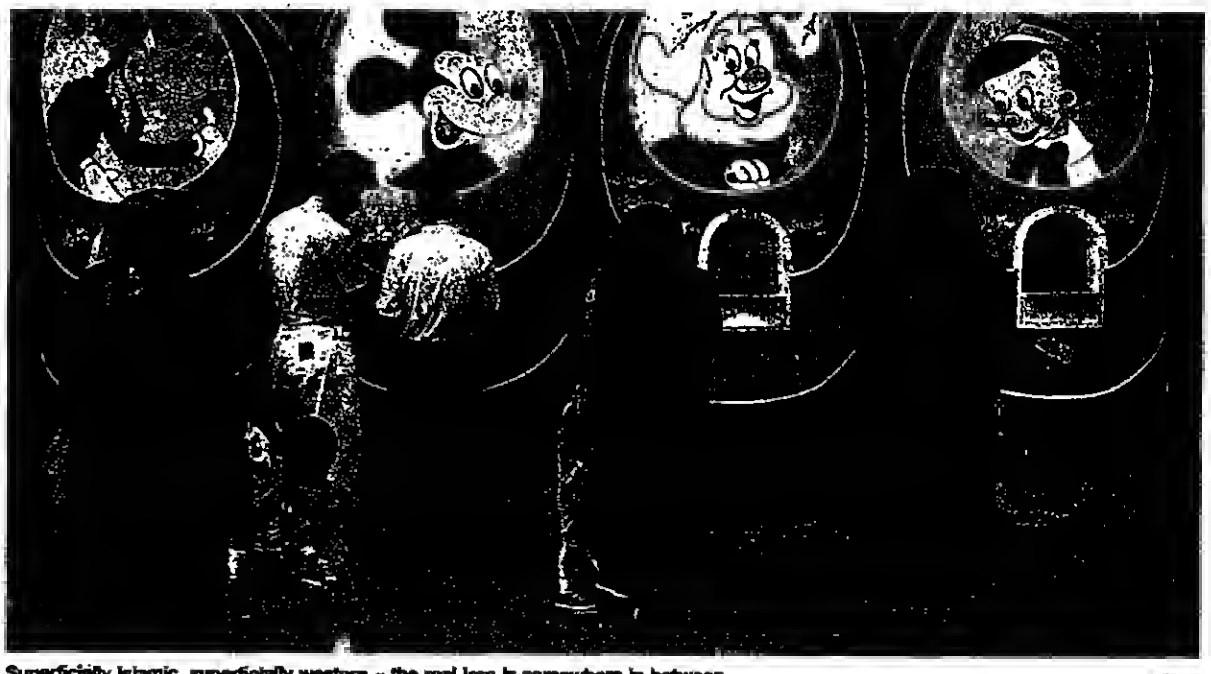
For all the disillusion, Tehran is a dynamic city, full of entrepreneurs and newly arrived provincials hungry to make money. And, while the government's most ardent critics argue that the revolution has simply substituted one elite for another, they appear to be genuinely unaware of the extent of social transformation.

One sign of this change is the "servant problem". Wealthy families once had no difficulty in finding domestic staff but despite economic hardship, fewer and fewer people are willing to be employed as servants.

The urban migrants swelling Tehran's population are no longer a cheap source of labour and they feel they have as much right to a say in the country's future as anyone else. This change is perhaps the most far-reaching consequence of the revolution and the least visible to outsiders.

When I left the country, I spent the five-hour flight to London trying to reconcile the conflicting images and concluded I was both an optimist and a pessimist - disappointed while being impressed. But, logic aside, there was one clear message as the aircraft climbed and left Tehran behind - the pangs of homesickness served as a reminder of how large a part of me lives in Iran.

For all the disillusion, Tehran is a dynamic city, full of entrepreneurs



Superficially Islamic, superficially western - the real Iran is somewhere in between

The chimes at midday

Much money is needed before the millennium

Ring out wild bells to the wild sky, The flying clouds, the frosty light, The year is dying in the night; Ring out, wild bells, and let him die.

Alfred, Lord Tennyson

Is there anything more English than a church bell, tolling mournfully across the countryside, or fighting against other bells in a rousing peal to celebrate a wedding or great national victory?

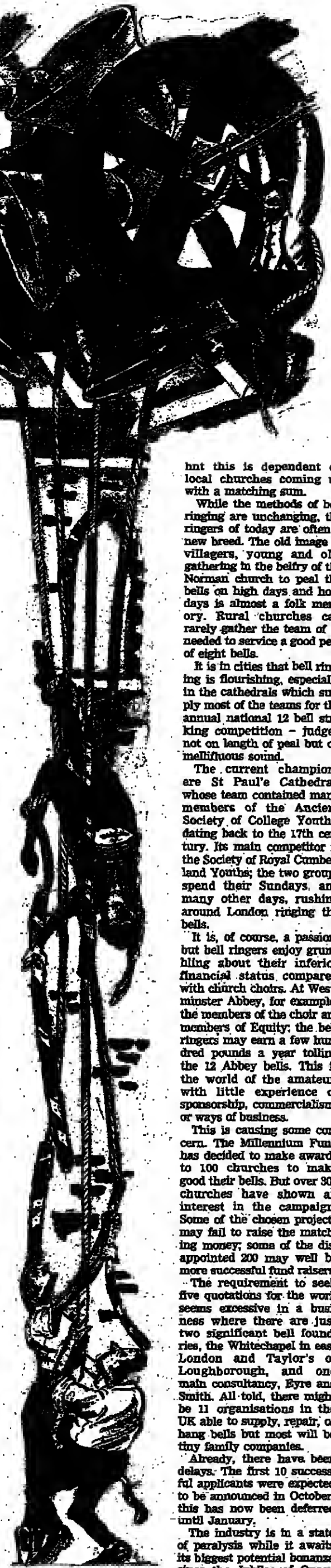
While other nations have embraced new technology and have electrically driven bells in their church steeples, or, worst case of all, a recording of bells, the British, and in particular the English, cling tenaciously to the old traditions.

It is an English sound that dates back almost a millennium - Abbot by Farin in Lincolnshire has a bell dating from the mid-12th century that still chimes weakly. The curfew that tolled for Gray's weary ploughman in one of the most famous poems in the language still marks the end of the day in some villages, and the jangle of bells that inspired Tennyson's thoughts on the New Year, and which wakes up a dead City each Sunday at St Paul's Cathedral, might have been heard by Shakespeare.

A full circle peal, in which the bell completes a 360 degree loop, is the English contribution to campanology, and was created in Cambridge in the early 17th century. The "methods" that quickly developed - Plain Bob, Grandsire, Stedman - are still tolled today in churches around the land. The bell-ringer is acutely aware as he grasps his rope that not only is he re-echoing the sounds of the past but in many cases he is chiming the same bells.

Not surprisingly, bells will usher in the millennium. For at least 50,000 people, the day will definitely go with a swing. At noon on January 1 2000, they will be pealing away for dear life.

The Central Council of Church Bell Ringers has decided that all the churches in the land - or rather the 5,000 or so that still have their bells, and the teams to ring them - will strike out on Millennium Day, some for just 10 minutes, others attempting the full peal, three hours of non-stop bell



ringing, involving over 5,000 changes. It will be the perfect antidote to all those New Millennium Eve parties. It is an ambitious project. For a start it means recruiting 10,000 more bell ringers - and replacing, or repairing, something like 1,000 bells, ropes, and bellies. The Millennium Fund has promised £2.5m towards the bells,

but this is dependent on local churches coming up with a matching sum.

While the methods of bell ringing are unchanging, the ringers of today are often a new breed. The old image of villagers, young and old, gathering in the belfry of the Norman church to peal the bells on high days and holidays is almost a folk memory. Rural churches can rarely gather the team of 15 needed to service a good peal of eight bells.

It is in cities that bell ringing is flourishing, especially in the cathedrals which supply most of the teams for the annual national 12 bell striking competition - judged not on length of peal but on melodious sound.

The current champions are St Paul's Cathedral, whose team contained many members of the Ancient Society of College Youths, dating back to the 17th century. Its main competitor is the Society of Royal Cumberland Youths; the two groups spend their Sundays, and many other days, rushing around London ringing the bells.

It is, of course, a passion, but bell ringers enjoy grumbling about their inferior financial status, compared with church choirs. At Westminster Abbey, for example, the members of Equity, the bell ringers may earn a few hundred pounds a year tolling the 12 Abbey bells. This is the world of the amateur, with little experience of sponsorship, commercialism, or ways of business.

This is causing some concern. The Millennium Fund has decided to make awards to 100 churches to make good their bells. But over 300 churches have shown an interest in the campaign. Some of the chosen projects may fail to raise the matching money; some of the disappointed 200 may well be more successful fund raisers.

The requirement to seek five quotations for the work seems excessive in a business where there are just two significant bell foundries, the Whitechapel in east London and Taylor's of Loughborough, and one main consultancy, Eyre and Smith. All told, there might be 11 organisations in the UK able to supply, repair, or hang bells but most will be tiny family companies.

Already, there have been delays. The first 10 successful applicants were expected to be announced in October; this has now been deferred until January.

The industry is in a state of paralysis while it awaits its biggest potential bonanza since the Jubilee of Queen Victoria, which many parishes celebrated by replacing early bells with Victorian examples. It believes it can just about cope, but only if the orders start coming in soon and the financial arrangements are secure. A great enterprise is holding its breath - and its bell rope.

Antony Thorncroft

Charred Lisbon feels a chill

Peter Wise observes a city's sense of almost inescapable misfortune

When the three witches creak "Fire burn and cauldron bubble" in the Lisbon Players' production of *Macbeth*, a chill of misgiving is almost palpable in the Estrela Hall theatre, where the amateur company has been performing in English for more than 50 years.

Lisbon is in a mood receptive to tragedy after the partial destruction of its 19th century city hall this month. The fire is just the latest of a series that have laid waste to many of the Portuguese capital's most treasured and historic buildings.

One newspaper summed up the city's sense of almost inescapable misfortune in a headline - "A Curse over the City". Fittingly, a fund-raising event to help pay for the rebuilding of the city hall, expected to cost more than £52m (7.5m), is to be a concert of *fado* music, passionate Portuguese traditional singing about farbearance in the face of harsh destiny.

"Statistics show there is a higher tendency in Portugal

than in many other countries to attribute both public disasters and personal misfortunes to bad luck rather than to humanly preventable causes," says Manuel Villaverde Cabral, a professor of sociology and former head of Portugal's national library.

"This creates a climate in which the authorities can more easily become complacent about implementing preventive policies."

The city hall fire was a shock, not only because it gutted the upper floor of a neo-classical building from whose balcony Portugal was proclaimed a republic in 1910. It also highlighted the city's vulnerability eight years after the heart of the 18th century Chiado district was destroyed by fire.

Following the fire in the Chiado, Lisbon's most prestigious shopping district, urgent calls were made for the regeneration of other historic neighbourhoods and buildings considered to be equally at risk. But, as one Lisbon newspaper wrote, the city hall fire showed that no

"real, decisive steps" have been taken.

Concern over how much of Lisbon's history has already been reduced to ashes prompted municipal workers and passers-by to rescue historic documents from the city hall's archives. They were probably unaware they were repeating what an earlier generation had done when the previous city hall burned down on the same site in 1893.

Among the rescued documents were plans by the Marquis of Pombal to rebuild the city after the most violent earthquake in European history that destroyed most of Lisbon on November 1, All Saints Day, 1755. Fires raged for six days and were responsible for many of the 13,500 deaths, half the city's population.

The earthquake struck during the saying of Mass in 56 churches, dislodging candles which then set fire to furnishing and woodwork. Candles remain a regular cause of fires in the Portuguese shanty towns which do not have electricity.

Historians say the shock of the disaster in 1755 contributed to the end of the Age of Enlightenment and the belief of many thinkers in a benevolent God. The hero of Voltaire's satirical *Candide*, partly set in Lisbon after the earthquake, is dressed in a heretic's robes decorated with flames before narrowly escaping being burnt at the stake. "The University of Coimbra had declared that the spectacle of a number of people being ceremoniously burnt over a slow fire was an infallible way of preventing another earthquake," Voltaire wrote.

While the Marquis de Pombal was a harsh, dictatorial chief minister he was also "one of the most innovative rulers Portugal ever had", according to the historian David Birmingham. He redesigned Lisbon with broad avenues and large buildings constructed on a framework of halm-oak or chestnut, flexible enough to withstand earthquakes. The frames also penetrated the water-table, ensuring that the wood was permanently

moistened against the danger of fire. Before the Chiado fire, architects warned that the excavation of basements by some shops was disturbing the water-level on which the fire resistance of the Pombaline buildings depended. But just as Pombal rose to the occasion after the 1755 earthquakes with his famous phrase "bury the dead and care for the living", Joao Soares, the mayor of Lisbon and son of former president Mario Soares, has won admiration for his handling of the city hall fire - from fighting the first flames himself with a hand-held extinguisher to starting an immediate rebuilding programme.

And despite the repeated calamities and Portuguese fatalism, new life rises from the ashes of Lisbon's fires. Young couples are again courting in the rebuilt courtyards of the Chiado. As Luis de Camoes, the great Portuguese poet admired by Shakespeare, wrote in one of his most famous sonnets: "Love is a fire that burns unseen."

HULL - a city that means business



BRISTOL BRIDGE

HOW TO SPEND IT / FASHION

Now it's the real thing that counts

Lucia van der Post explains that fakes have had their day



Isabella Norman, photographed by Vanessa von Zilzewitz for Cartier, wearing pieces from 'Honeymoon', one of the designs in Cartier's 'New Collection'. Completely reversible, with 18-carat yellow gold on one side, white gold on the other, two-stranded bracelets are £5,990, the two-stranded necklace £14,100, the rings are £2,150 and the earrings, £4,250

It is somewhat odd to reflect that during the so-called flash days of the 1980s, when legend has it that "spend, spend, spend" was the motto, costume jewellery (aka fake) was all the rage. Great big glitzy pieces, gloriously fake, stupendously eye-catching, were what the voguish set was wearing.

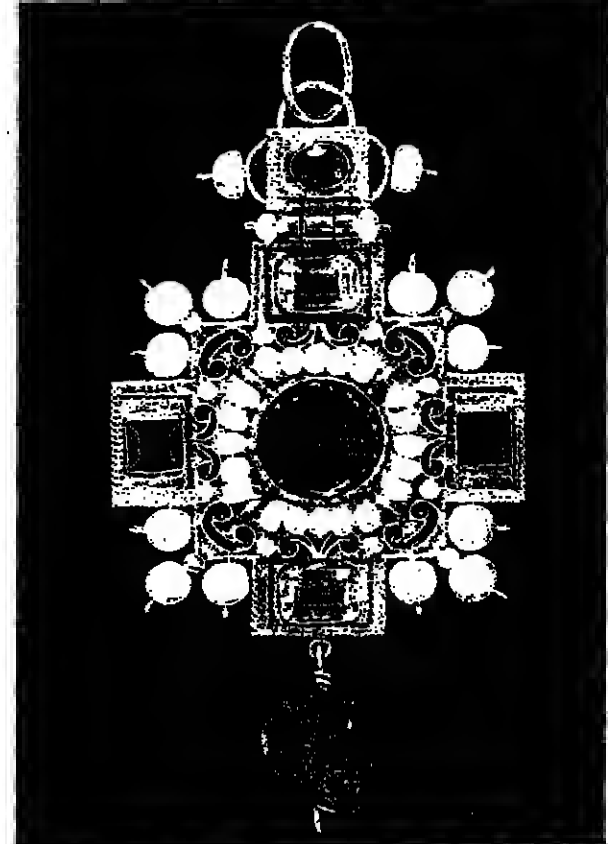
The point was that you could - in true 1980s style - have lots and lots. No need to discriminate or eliminate. No need to dither over colour, size or shape - just buy them all.

These days, so the semi-cynics are telling us, people are more discerning. Those with money may have even more of it than they had before but they are spending it differently. What this means when it comes to jewellery is that this time round it will probably be real.

It may be exquisitely small, it may be a silver slither of a bangle by Elsa Peretti for Tiffany (340) or a little pair of diamond stud earrings (from £1,500) but the important point is that it should be real.

You can interpret this in many ways. Garrard believes the trend "is rooted in the current mood for integrity". Others, more cynically, may feel the trend may have more to do with the fact that real usually costs more, holds its value better and therefore says something significant about the wearer.

At Cartier, where, of course, fake has never had a look-in and real has been forever "in", is a celebration of this resurgence of interest. "The New Collection" is



A Russian cross with pearls, garnets, sapphires, green tourmalines and rock crystals, £295, from Cobra & Bellamy, 149 Sloane Street, London SW1, and Fenwick's of Bond Street, London W1

overseen by Michelle Kanou, wife of the chairman of Vendôme, which owns Cartier. The collection is in the grand tradition of Cartier jewellery, and sports many of its hallmarks.

Take the jewellery shown in the picture here. It looks simple - linked bands of gold with no stones - but the techniques which give it flexibility and suppleness are highly complicated.

This line of jewellery fits into the genre that Michelle Kanou developed after spotting that customers at the Geneva store (where she looked after sales for many years) were looking for something between the more accessible *bijoux* and *Les Must* line and the one-off, stunning pieces that took two or three years to create and cost a king's ransom when they were done.

She developed a line of pieces that were neither mass-produced nor yet one-off - these are the pieces that are made with the same care that is lavished on the *haut joaillerie* but which is produced in small editions, thus keeping the price (somewhat) down.

The "Honeymoon" collection photographed here is reversible from white to yellow gold. It may have a high price tag but it doesn't shout

or sock you in the eye - should one be so lucky as to own a piece, one could easily wear the white gold side to work and turn it over for the evening.

Other pieces are designed to be transformed in different ways, with rows added or subtracted, pendants added or subtracted to give more life and value to the piece.

Like so many designers in these eco-conscious days, Michelle Kanou has turned to the cosmos for inspiration - the collection is based on the four primitive elements of water, earth, the planets and the sun. So they are filled with sinuous shapes, whole menageries of animals and strange shapes representing volcanic changes and the earth's erupting crust.

This obsession with natural minerals and the bounty of the earth has been pursued by a designer. At Donna Karan's austere splendid new shop at 19 New Bond Street, London W1, there are striking necklaces made of irregularly shaped chunks of unworked emeralds, *crystal de roche*, turquoise and obsidian which look as if they have been hewn straight from the rock-face. This lack of artifice doesn't come cheap - they

sell at about £25,000-£30,000 a time.

Dianne Haskell, an American designer who perceived a need for jewellery with real intrinsic value for those who didn't have thousands to spend, is launching a new collection which she emphasises is "real" but which at the same time has the casual, throwaway chic which sums up Angela Pinaldi's chunky pieces for Donna Karan.

Dianne Haskell's strands are less bold, less rough, some of the stones are faceted, though in a simple way. She uses strands of precious and semi-precious stones, smooth nuggets of smoky and blue topaz, aquamarines, amethyst (a natural blend of amethyst and citrine), brilliant blue apophytes and sprigs of jet. Prices range from £200 to £800.

These are pieces that many women can well afford to buy for themselves. They are stocked exclusively by Arabesk, 186 Walton Street, London SW3, and Arabesk in Harrods.

Kiki McDonough, ever skilful at producing pieces for her niche - the modern woman who doesn't want to look flash but still likes her jewellery to be real - has added strings of hunky stones to her usual discreet gold and pearls. A double-stranded necklace of pink and green tourmalines sells for £2,900 while three rows of deep-colored irregularly shaped amethysts are £2,100.

Cobra & Bellamy, which has a shop at 149 Sloane Street, London SW1, as well as a branch within Fenwick's of Bond Street, has found that its latest cache of real jewellery, found on a buying trip to Russia, is selling fast. This sort of jewellery is in complete contrast to the rough-hewn stones beloved of Donna Karan.

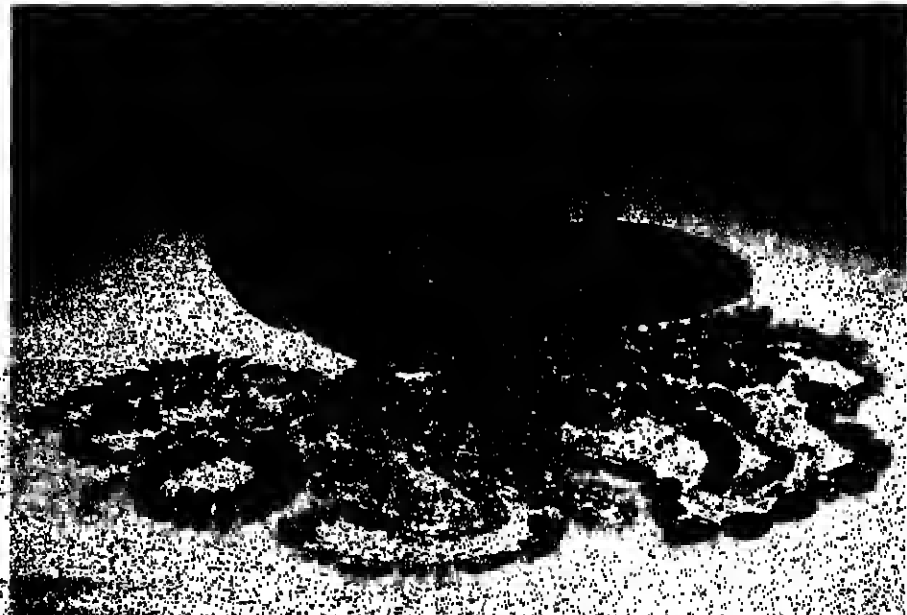
Here are strings of cultured pearls with clasps and pendants made from fine enamelwork and embedded with real amethysts, emeralds, topazes, tourmalines and citrines.

For the quality, prices are extraordinarily good - the cross photographed here, for instance, is made from garnets, pearls, sapphires, green tourmalines and rock crystal and sells for £695. Also in the series are necklaces - with pearls, amethysts and emeralds, the price is £1,695.

Earrings with amethysts and pearls could be had for £163 and a slim, delicate necklace with amethysts, pearls and green tourmalines for £498.



Smooth pink and green tourmalines make up a two-row necklace, £2,900, from Kiki McDonough, 77c Walton Street, London SW3. (Tel: 0171-581 1777 for a catalogue)



Strands of precious and semi-precious stones at prices ranging from £200 to £800 from Maria Merola of 178 Walton Street, London SW3

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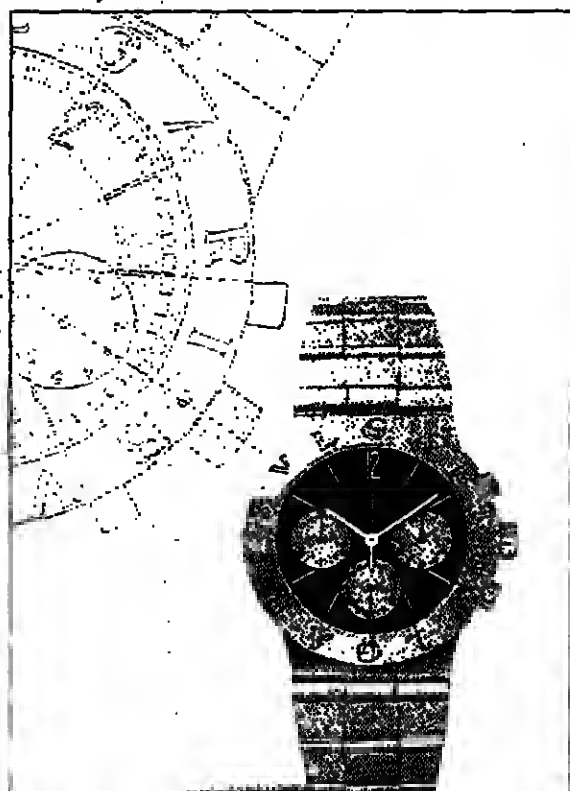
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HOW TO SPEND IT

Oranges are not the only business

Avril Groom reports on the wide interests of an Italian family

The Marchese and Marchesa di San Giuliano have wide business and cultural interests, spread between Florence and Sicily. Both come from traditional, but very different, large Italian families.

Giuseppe di San Giuliano, 58, has an orange-growing estate near Catania that has been in his family for 750 years. Flamma di San Giuliano Ferragamo, 55, is the eldest child of the legendary shoe designer Salvatore Ferragamo, who came from a relatively poor southern Italian family.

Now vice-president, she has worked full-time in her father's business from the age of 18. Last year the company increased turnover by 34 per cent to £276m; and is still wholly owned by the family.

Her polymath husband is a citrus farmer, garden designer, plantsman, historian and model railway buff, though his main business is exporting end-of-season designer clothes. He accepts he is often known as "Signor Ferragamo".

They have three grown-up children, none as yet involved in the family business.

■ The Marchese Giuseppe di San Giuliano: "I spend most of my time in Florence, where both our businesses are, but I go to Sicily about twice a month to oversee the orange-growing and the gardens, both managed by families who have worked for my family for many years. Our family can be traced back to the Norman invasion of Sicily in the 11th century.

"My business is exporting left-over stock from well-known names. It's not glamorous but they need me because the money tied up in such stock is enormous. Business has grown as the world becomes more fashion-

conscious. I turn over my capital up to four times a year.

"Although clothes are my business I have no interest in fashion. I hate labels. It should be a matter of individuality. There are those who say I have good taste but I'm not so sure. I love English style and buy ties at Turnbull and Asser or whenever takes my fancy. I would like to go to Savile Row, if I were properly introduced.

"I first met Flamma at

allow me to grow plants I couldn't otherwise.

"Another hobby is collecting wine. I'm glad I'm not a wine-grower - I'd drink it all. When I was young I worked as a chauffeur and valet to the then minister of finance in the Bahamas, Sir Stafford Sandys. He taught me and put me in charge of his cellar. Now I have a decent cellar of my own - mostly claret but Italian wines are improving.

"Another hobby used to be

"My father settled in Florence because of its artisan craftsmen and because everything in Tuscany, from the landscape to its people, inspired him. It's the same for me - I love my home. My father bought the Palazzo Feroni before the second world war for the company headquarters and I grew up in another old house.

"When we married we bought another, smaller house, also called Feroni because it was built in the 14th century by the same family.

"It has a courtyard garden and is decorated with frescoes. People think it's hard to furnish a frescoed house but, apart from occasional cleaning and restoration, the frescoes are no problem. With architectural frescoes you can hang paintings too, otherwise you don't need many pictures. I like a house to be light and simple. I plan the rooms myself.

"I love going to English antique fairs. There is something very personal about English furniture, with secret drawers and so on. I also have French and Italian furniture, quite an eclectic mix that I hope is tasteful and homely. I like 18th century style and colours, with lots of books and objects around. But I don't have any Ferragamo cushions - the prints are too busy for the style of the house. I am not a collector, except for miniature decanters which I use as individual wine bottles when we entertain.

"I would be lying if I did not say work is the most important thing to me. I started at 16 and a year later my father died. I was in charge - my mother, who later joined the business and is still its president, was at home with the youngest children and I used to take the others to school on my way to work.

"We have seen great changes. My father's forte

was handwork but to expand we had to move into high-tech, high quality industrial production. There are six of us to share the responsibilities but I look after shoes and leather goods which account for over 75 per cent of our sales.

"I am very busy travelling a lot, but I keep trips as short as possible and try to get home for weekends or I would never see the family. When my children were



The Marchese and Marchesa di San Giuliano in Sicily; he is often known as 'Signor Ferragamo', in honour of her family's famous shoes

young I felt guilty. Now they have left home it's difficult to arrange to be together.

"Of course I wear Ferragamo shoes all the time and the clothes a lot. I like other quite classic designers such as Armani and St Laurent but the clothes must complement the shoes. For casual wear I am not fussy about labels, but our designer Steven Slawik, who is now becoming known for his own collection too, does wonder-

ful holiday wear, especially knits. We now own Emanuel Ungaro's company - he is a very special person who, like us, totally owned his business before, and I love his clothes.

"Holidays are important but work comes first. Sometimes we snatch a long weekend with friends on the Tuscan coast. In August, we shut down and go to my husband's family house in Sicily. It's marvel-

ous - up in the hills.

"I also used to love skiing but now I'd rather go to a music festival. At the end of August we went to one in Salzburg then home by way of another in Lucerne. I like to support musical charities here in Florence.

"My children are all in other businesses. Naturally, they cannot all join Ferragamo. It is a delicate question that we must leave to the future."



'I have never minded playing second fiddle, though Flamma worries that I do'

Florence

Harry's Bar in Florence, 29 years ago. She was already an important young businesswoman, not the typical image of Italian womanhood in those days. I had broad views, having lived abroad a lot. I have never minded playing second fiddle, though she worries that I do. I was far more impressed to see how loved and appreciated she was by her family and friends.

"I thank heaven that she shares my passion for our two houses. We started decorating them together but later she concentrated on the inside and I did the outside. I am still developing the gardens in Sicily. With a garden architect I have constructed a small Arab garden - its style means it needs to be separate from the rest. Having lived in Brazil, I love sub-tropical plants and I am hoping to construct an island in a disused reservoir where the micro-climate will

model trains. I had 180 square metres of lay-out but suddenly I'd had enough and now it is all packed away. Instead, my interest in classical music has grown. Another thing I share with Flamma. We travel a lot to concerts, to see friends such as Zubin Mehta or Georg Solti perform.

"I dream of restoring a room in our Florence house to its original role as a private theatre, to put on concerts for and by friends. I am also involved in fund-raising for a charity that restores fortepianos - the forerunner of the piano, invented in Florence by Bartolomeo Cristofori in the 17th century. Florence is a good place for charities because it is so international. Thirty American universities have interests here. There are lots of possibilities."

■ The Marchesa Flamma di San Giuliano Ferragamo:

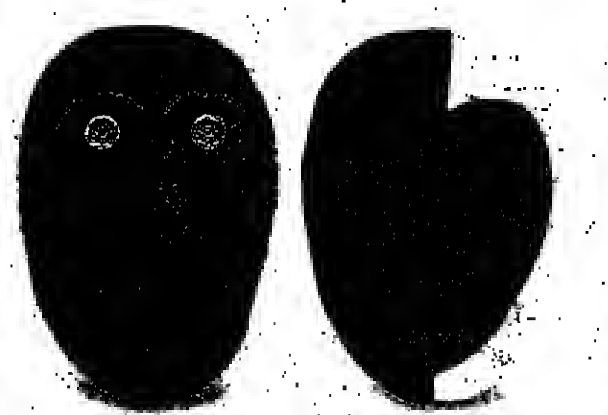
Behind the mask

Lucia van der Post reports on a charity-raising exhibition

Those who have been lucky enough to go to London's Royal Festival Hall since November 7 cannot have failed to notice the extraordinary and fascinating exhibition of masks on show. But it would take a dedicated reader of notices and small print to discover what it is all about.

Mosche Gerstenhaber, chairman of Kail Ewik, the chain of fast printing outlets, stumbled upon a stunning exhibition of masks in Tel Aviv in Israel, which had been assembled in order to help the mentally handicapped. He decided that the idea could be reproduced in the UK to help The Prince's Trust. After 18 months of hard work by many people, it has come to fruition.

It has taken months of arm-twisting and friendly persuasion to get some of



the most talented and busy people in the land to paint their own version of a mask. From the bold, bright colours used by the artist Peter Blake, to the dazzling black and white intricacy of designers Timney/Fowler and the glamorous netted version of Dame Kiri Te

Kanawa, the result is a dazzling array of different images.

Actors and writers, professors, and singers, artists and interior designers, fashion designers and violinists, the contributions have come from some of the most talented people in the land.

The main point of the enterprise is to raise money for The Prince's Trust and there are a number of ways this can be done. The simplest and cheapest is to buy a copy of the Masks Catalogue for £8.95.

The book is sold through branches of WH Smith and 25 from each sale will go to The Prince's Trust, which helps young people get started in careers by providing financial aid and training programmes. The catalogue is colourful, beautiful and intriguing and raises all sorts of questions about the role of masks, both literal and metaphorical, in our lives.

The masks themselves will be auctioned for the trust; many are not only beautiful and intriguing (others are bizarre, eccentric, alarming and downright peculiar) but, signed by their creators, may well become collectors' items.

Those who think they can get to the auction at the Royal Festival Hall on November 28 in person (it promises to be a glittering affair) should apply to The Prince's Trust (tel: 0171-548 1234) for tickets. Those who cannot get there can buy a copy of the catalogue and use the form in the Silent Bid section to bid. These bids can be submitted until December 6 and the results will be announced on December 13.

The masks can be collected well before Christmas - so besides helping the work of The Prince's Trust it could make somebody, somewhere very happy on Christmas morning.

In the meantime, the exhibition at the Royal Festival Hall is open every day from 10am to 10pm. Entrance is free.



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HOW TO SPEND IT

The Seven Ages of Man Many splendid things for your lover

Lucia van der Post discovers a variety of seductive gifts

Shakespeare's third age

And then the lover,
Sighing like furnace, with a woeful ballad
Made to his mistress' eyebrow.

After last week's "whining school boy", we come this week to the third of Shakespeare's seven ages of man - the lover.

Ah, the lover, a bappy phase in the life of the male. Not yet weighed down by mortgages and families - what Zorba the Greek called "the whole disaster". He is usually easily pleased. His wants and needs are still many. His wardrobe and home will have many gaps. But resist the temptation to give him easy socks and ties. If it is to be socks, they should be a treat. Choose the finest cashmere (£35 a pair from N. Peal, tel: 0171-493 9220) or softest silk or else some of Hackett's brilliantly coloured cotton ones at £10.90 a pair. (Tel: 0171-730 3331 for more information.)

Ties, too, should come with overtones of luxury or originality - something from a small, cult shop (see, Connolly in Grosvenor Crescent Mews) or one they cannot brooch themselves (Donna Karan has some wonderful shirts and ties - at a price - while Comme des Garçons or Issey Miyake's would go down well if his tastes are avant-garde).

Those who are feeling flush, or exceptionally devoted, could contemplate a suit. Steer him away from anything too traditional, and take your line from film director Peter Greenaway, who has put Ewan McGregor, the romantic lead in his new film *Pillow Book*, in Paul Smith. (Suits start at £595 and are available from 40-44 Floral St, London WC2 tel: 0171-379 7133.)

Encourage him to be adventurous at party-time - buy him a brocade waistcoat, a velvet smoking jacket or an enigmatic Nehru jacket from Favourbrook, 55 Jermyn Street, London SW1 (tel: 0171-491 2337), which opens on Monday. Jackets are about £350 each, waistcoats from £130 but a silk cravat at about £40 would do wonders for his wardrobe. If he wears double-cuffs they have a range of cuff-links starting at about £30 a pair.

Tickets to one of the surprise successes of the stage this autumn would be a special treat. The all-male version of *Swan Lake* is unmissable. Its run ends on February 1, so tickets for those grey days after Christmas would be timely. Showing at the Piccadilly Theatre, Denman Street, London W1, tickets are from £9.50 to £30 (tel: 0171-989 1734).

Every lover should be able to dance, so if his teenage years were spent on the rugger field he might feel bashful on the dance floor. Arrange lessons by ringing The International Dance Teachers' Association (01273-685682) for dance schools and instructors in your area.

Lovers need to keep in trim. You could give him boxing lessons (marvellous for overall fitness and strength) from Cassius (0973-135 298) or Stormin' Norman (0956-428 767), a double act of two experienced boxers who run Fightin' Fit circuit classes in London but also offer private training sessions. Circuit classes are around £4 and private lessons begin at £20.

Otherwise, get him his



Acqua di Parma cologne, £45.95, c Tag Heuer Carrera watch, £1,495, and silver address book, £9

own personal trainer. International Personal Fitness Training will give a free consultation and then charges £50 an hour for the training. If he travels a lot, trainers can be organised in most business centres of the world.

Lovers, of course, should be able to conjure up seductive meals at home. Lyn Hall is running six-week Bachelor Cooks classes from January 9 or February 20 (tel: 0171-584 8841) at £495.

Besides fine food, winter evenings at home need good music, fine champagne and good coffee. For music, Bang & Olufsen's latest stereo is the BeoSound 9000 at £4,600. It takes six CDs and incorpo-

rates a radio, it can be wall mounted, free-standing, placed on a shelf or stand upright on a table. The amplifiers are included in the speakers themselves, so the reproduction is fuller and purer. For stockists, tel: 01734-682288.

Treat him to a special champagne - Veuve Cliquot has just released 1988 vintage of La Grande Dame Rosé at £160 a bottle is generally agreed to be one of the best for years (for stockists tel: 0171-887 1807). For coffee, the Krups Nespresso machine, which relies on easy-to-insert capsules, makes fresh coffee as easily as powdered. At £349, Jerry's Home Store, 163-167 Fulham Road, London SW3 (0171-581 0909).

For lovers who like fine food but are not interested in cooking, collect the best and simplest food-stuffs and pack them in a basket or hamper. There are good delicatessens all over the country which sell Balsamic vinegars, fine virgin olive oil, grappa, truffles, amaretti. For Londoners, Carluccio's, 28a Neal Street, London WC2 (tel: 0171-240 1437) has wonderful Italian treats. Fresh amaretti, all soft and squishy, make a splendid change from dry versions and cost just £4.30 for 250 grams. A bottle of Vin Santo with biscotti for dipping is a delicious way to end a meal. £26.20 from Carluccio's.

If he hasn't got a watch he really loves, give him something robust to last a lifetime such as Tag Heuer's newest one, The Carrera Replica, £1,495. Available from leading Mappin & Webb stores nationwide (tel: 01204-861168 for stockists).

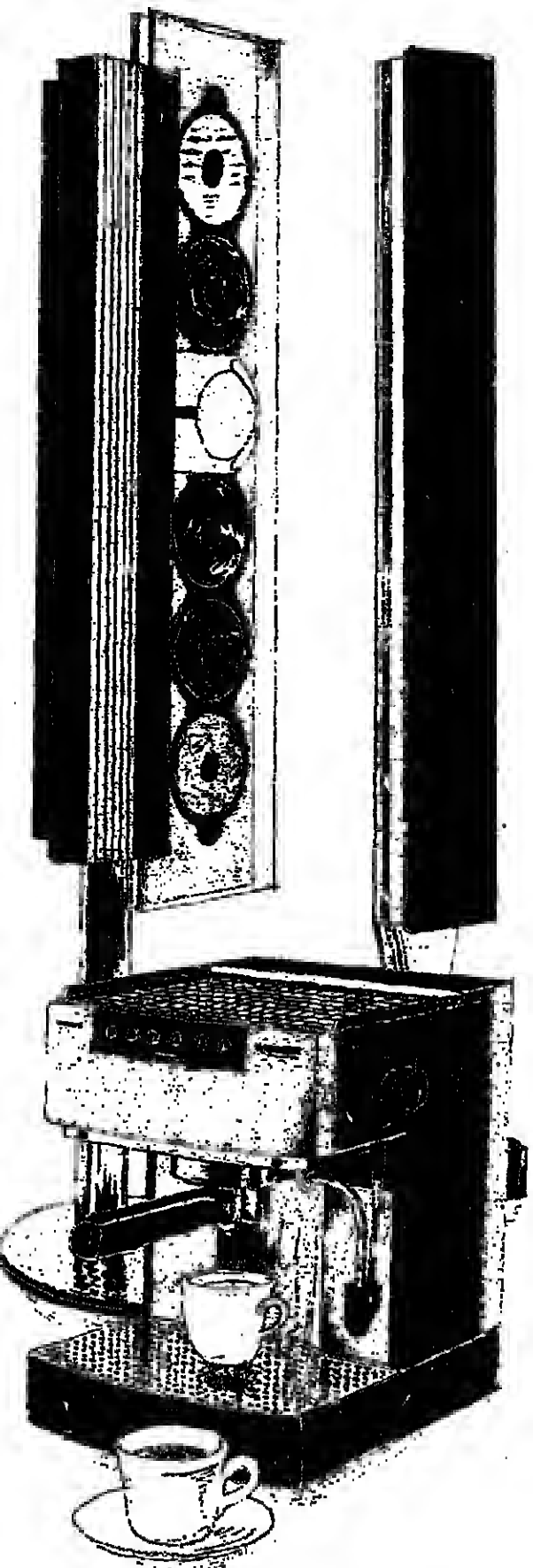
If he smokes, Zippo has a limited edition of its famous Pin-Up lighters. Featured in countless movies, it is a cult, kitsch lighter. There is a choice of five different dreamgirls, the modern version of the "windproof" beauty who showed that the Zippo stayed lit, no matter how windy. A single lighter is £25, a boxed set of four, £100. Find them at leading tobacconists and gift shops. Poetry is an essential gift for your lover. A 16th cen-

The BeoSound 9000 stereo by Bang & Olufsen, £4,600, and the Krups Nespresso coffee machine, £349

Illustrations: Bryon Poole

tury pocket edition of Petrarch's sonnets in the original Italian, bound in red morocco, can be found at Maggs Bros, 50 Berkeley Square, London W1 (0171-493 7160) for £450.

After-shave is a tricky area. Introduce him to a wonderful, old classic, Acqua di Parma, made by an Italian company which has been producing eau de cologne since the 1930s. Way ahead of the current pack with its so-called mould-breaking androgynous perfumes.



Acqua di Parma's yellow liquid was being splashed on the wrists of such stellar contemporaries as Audrey Hepburn and Cary Grant. Now there are soaps, talcum powder, beauty creams, bath foams and accessories with the same classic, light, citrusy smell. The eau de cologne comes in two sizes, £25.95 for 50ml and £45.95 for 85ml. Packaged in a distinctive Parma yellow, it is available only from the Conran Shop, 81 Fulham Road, London SW3.

The impecunious could put a tiny, silver address book in his stocking - it looks much smarter than its price tag of £9 suggests. Debenhams (0171-580 3000).

For the eco-conscious lover, adopt an animal at London Zoo. Adoption starts from £20 for an ant, and goes up to £5,000 for an Asian elephant. Adoptive parents receive a package including a photograph, an adoption certificate and discounts for visits to the zoo (tel: 0171-449 6262).

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TRAVEL

Ancient glory of Neapolis

Adam Hopkins gives a five-star rating to the archaeology museum

In the *centra storica* of Naples, among the peeling alleyways replete with washing, the sweet old ladies selling contraband tobacco, the gorgeous baroque churches and the darkly high-rise, multi-occupied one-time palazzi, a little white van is nudging its way along. On its side it bears the word "Neapolis" - Greek, of course, for New City. It makes you stop and think, it really does. For Neapolis, as the word implies, was the second name for the city given to it as long ago as the 6th century BC when an even earlier Greek city was rebuilt.

Tourists get a first inkling of the ancientness of "New City" on visits to the Duomo, the mainly medieval cathedral, where the blood of San Gennaro liquefies twice a year, thus saving Naples from disaster.

Likewise in San Lorenzo Maggiore, where Boccaccio first laid eyes on his Flaminetta on Easter Eve, 1354. Excavations beneath both "modern" sites go clear down through older Christian into Roman levels and down again to the physical world of the Ancient Greek colonists of southern Italy.

The continuities exist in art as well, between the Greeks and those who followed them. To realise what was truly prized you have only to step into Naples' absolutely five-star National Archaeological Museum and run an eye down the statues in the collection assembled, mainly in the 18th century, by the Farnese family in Rome.

It was brought to Naples in the 18th century, to the fury of contemporary Romans.

There they stand, those scintillating "Greek" sculptures, known to us sometimes in their original Greek format but mainly through the collection's ancient Roman copies and adaptations, most of the originals having been

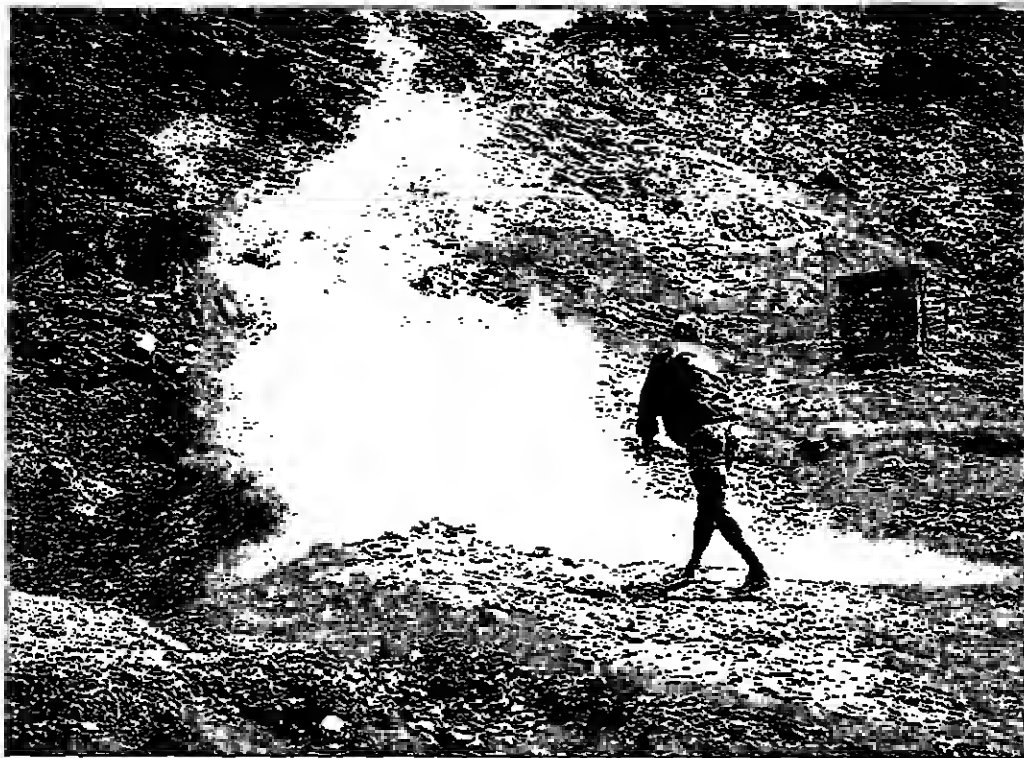
lost many centuries before. Centre stage is the so-called "Farnese bull", that huge group evoking with elegance and detail a brutal story from Euripides' *Antiope* (Michelangelo tried at one point to convert this mighty piece into a fountain). Then there is a Heracles from the baths of Caracalla, so over-muscled in the Roman version, that you are not surprised to see how sad he looks. As for Artemis of Ephesus, she has a black face and hands and no fewer than 21 bosoms, if I have counted right.

Then come the Roman paintings from Pompeii and Herculaneum. Upstairs in the same museum, said to be the closest thing we have to the Greek originals so much admired by the Romans. Almost all Greek painting has vanished now - except, in these parts, for the stunning 5th century BC tomb from temple-rich Paestum, an hour or two further south. This shows a diver in mid-flight, beautiful as a Minoan bull leaper, along with some very festive banquet scenes (the tomb is held in the fine but considerably smaller museum next to the temple site at Paestum).

Now, many of these works of art, Artemis for instance, and some non-Farnese pieces in the Archaeological Museum in Naples, plus a fair number of the Pompeii/Herculaneum paintings, come as a reminder that Ancient Greece, along with colonial Magna Graecia, was not quite so "classical" as we may sometimes think.

Plenty of mysterious "underground" forces were acknowledged. Which brings us naturally to Cuma, home of the Syll, oracle and prophetess in the cult of Apollo, her wisdom rivalled only by that of the oracle of Delphi. Virgil approved of her; so did T.S. Eliot.

It was the Cumaeans, springing from Greek Euboea, who re-



Steamy days: the Phlegraean Fields

founded Naples/Neapolis back in the 8th century BC, the centre of their domain was the rocky acropolis of Cuma, poised above the sea just a few kilometres west of the new settlement. Between Cuma and Naples, there lay, and lies, the small but bizarre volcanic region known as the Phlegraean Fields. Any visit to Cuma inevitably starts there, the more so since the Phlegraean

Throughout the district, and on the neighbouring seaside peninsula (which makes a little southwards cape), Roman notables, from emperors to chaps like big-eating Lucullus, also built their villas. And it was from this little corner that Pliny the Younger watched the eruption of Vesuvius in AD79, as it over-ran Pompeii and Herculaneum down on the far side of Naples.

One of the most remarkable of Phlegraean places is the sulphur-exuding, rheumatism-curing, highly volcanic crater of Solfatara. There, hot mud bubbles and plumes of sulphur-steam assault the nostrils. This was the first place that I visited on my own approach to Cuma. By happy chance, I encountered Giorgio Angarano, the director.

He walked me down to the crater at the centre of his kingdom - with 20th century houses built along the top, in the higgledy-piggledy, muddled-up, but exceedingly evocative manner of the Phlegraean Fields. Much of the crater floor was fenced off, with a view to stopping visitors disappearing in sulphurous quick-mud.

"Magic, isn't it?" said Angarano proudly, gesturing about him at the sulphurous gravel falls. "People who work here live on average eight years longer. And we have arsenic as well as sulphur, greatly reducing" - I'm sorry about this but he actually said it - "the mother-in-law problem."

It was from this corner that Pliny watched Vesuvius erupt

Fields were of great importance to the Ancients, Greek and Roman, in terms both of myth and everyday life.

Here Daedalus came to earth when he made his fly-by-day escape from King Minos in Crete (losing his son Icarus en route). It was here, through little Lake Averno, round and deep, that Aeneas descended to the Underworld, at least according to Virgil. Within a few hundred metres, on neighbouring Lake Lucrine (a name associated with "lucre" because of the wealth derived from Roman oyster-farming), rather more historical Cicero built a villa, naming it Academia.

The island of Odysseus

Byron was not impressed. He did not want to see the ruins of Ithaca, Odysseus's island, and went for a swim instead. Later his friends took him up to the Kathara monastery on the top of Mount Neriton. Byron behaved in a most curmudgeonly way and swore at the abbot, who thought him a lunatic.

There was more to see in those days. Plunderers posing as archaeologists and earthquakes, the calling cards of Poseldon, Odysseus's enemy, had yet to sweep the surface of virtually all there was which went back to Odysseus's time. The guides could offer Byron "Homer's school" and the Cyclopean walls of the hero's palace on Mount Aeto, not that the prospect thrilled him.

Half a century later Heinrich Schliemann excavated the site of Odysseus's palace. Ithacan peasants found him sitting alone in a field. To entertain them he translated Book XXIV of *The Odyssey* into their dialect. They were moved to tears and carried him shoulder high to their village and fêted him.

Over the centuries there have been many theories to challenge Ithaca's status as Homer's island. Neighbouring Cephalonia is often advanced as a more likely suspect, as the two islands seem virtually synonymous to Homer.

Ithaca is a small island, but still strikes a chord with the story told in *The Odyssey*. Unless you come by yacht, you reach it by ferry from Cephalonia. The ship coasts around the south of the island and enters a splendid bay - surely Homer's Phorcys Bay.

I came on the ferry which docked in Vathi, the island's capital. From there a speedboat took me to Skinos in Skinos Bay, the luxurious villa of the Gratsos family, the chief shipping dynasty of Ithaca. The house was built a generation ago when Panos Gratsos decided he had had enough of hustling Vathi. In its heyday Skinos was a magnet for the international jet-set who chopped up the Ionian Sea with their floating gin-palaces: the pretenders to the thrones of Spain and Romania were just two who came.

One of the chief agreements of Skinos is the Allegro, a 42ft caïque which Panos Gratsos had built to his own designs in 1959. Tassos, the captain, survives from that time. A visit to Skinos would be inconceivable without an excursion to the islands to the north, including Skorpios. Onassis's own.

But I had come less for the sybaritic delights of the Allegro than for Odysseus. I went into Vathi to meet the locals: all of whom seemed to have been baptised with Odyssean names: a plumber called Telemachos, a crotch of Nestors, Mentors and Penelopes.

On their suggestion I went down to Arethusa's well and drank the waters much as Byron and Trelawney had done in their time. The water is said to provide long life but it did little to help Byron. I went up to the Naiads' Cave above the bay where Odysseus hid the gifts which he had been given by the Phaeacians and to a few rocky crags which disputed the right to be called the site of Odysseus's palace.

A modern Dionysos recommended the museum in Stavros. It was closed but we found the director's house and his wife agreed to take us round. Here is the best evidence of all. In the 1930s, a British dig, working in Poli's Cave on the west coast of the island, unearthed fragments of several Mycenaean tripods of great beauty and of precisely the same sort as those given to Odysseus by King Alcinous and the Phaeacians.

There are plenty of reasons to come to Ithaca which have nothing to do with Homer. The island has yet to be highlighted by package tours; Vathi has just two small hotels; and the place is as wild as it ever was. The big quake in 1963 destroyed many of the historic buildings, but there are still the monasteries at Kathara and Parnaraktia, the lovely church at Anoyi and the ruins of the Venetian town at Paleochora.

In spite of the bad humour which coloured his arrival on the island, Byron grew to love Ithaca: "You will find nothing in Greece or its islands so pleasant as this," he told Trelawney.

Giles MacDonogh
Giles MacDonogh's stay at Skinos was organised by the Greek Islands Club. Tel: 01932-220477; fax 01932-229346.

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TRAVEL

The Aga Khan comes to town

Sarah Murray joins a welcome party in the Hunza valley

This man is a mathematical genius," said the young Pakistani, wielding a paint brush and pointing at his friend. Tape measure in hand, he was busy drawing giant letters that would eventually be stipped out in rough whitewash; a couple of sign painters doing an honest day's work.

Except we were on the side of a mountain, about 3,000 metres above sea level peering down into the remote valley that gapes wildly between the Hindu Kush and the Karakoram.

All over the mountainsides were messages scripted across vast pieces of rock at heights defying comprehension. Several metres tall and painted on great slabs of stone, they were written by the residents of the Hunza valley, at the heart of this wild part of Pakistan. "Welcome our Hazir Inama," they said. The "Hazir Inama" was Prince Karim Aga Khan,

spiritual leader of the world's Ismaili Muslims, who make up much of the region's population.

For the Aga Khan was coming to town and it was like Christmas. At night, whitewashed letters were replaced by words picked out in lights by devotees perched on the slopes with oil lamps. Some took with them rubber tyres, which they set alight and rolled down the gullies.

They are fond of abbreviations in these parts and it was "HH", as he is sometimes known, has a whole string of them attached to his name: AKRSP (Aga Khan Rural Support Programme), AKES (Aga Khan Education Service) and AKHS (Aga Khan Health Services) - all institutions set up by the Aga Khan to complement his spiritual guidance with practical help.

The KKH is another local abbreviation. To western eyes it may look like a badly made country road, but the Karakoram Highway repre-

sents one of the world's most ambitious engineering projects. At a cost, some say, of a life per kilometre, Pakistan and China cemented their growing friendship in the 1960s by constructing a road that now runs from Islamabad to Kashgar in China. Much of it follows the old Silk Route and most of it clings alarmingly to vertical slopes where landslides are a constant threat.

Before the KKH opened in 1986, reaching the Hunza valley meant grueling treks for days. Today, along what is now an artery of commerce, plough the great Bedford trucks, decorated beyond recognition with tinsel, bells and paintings.

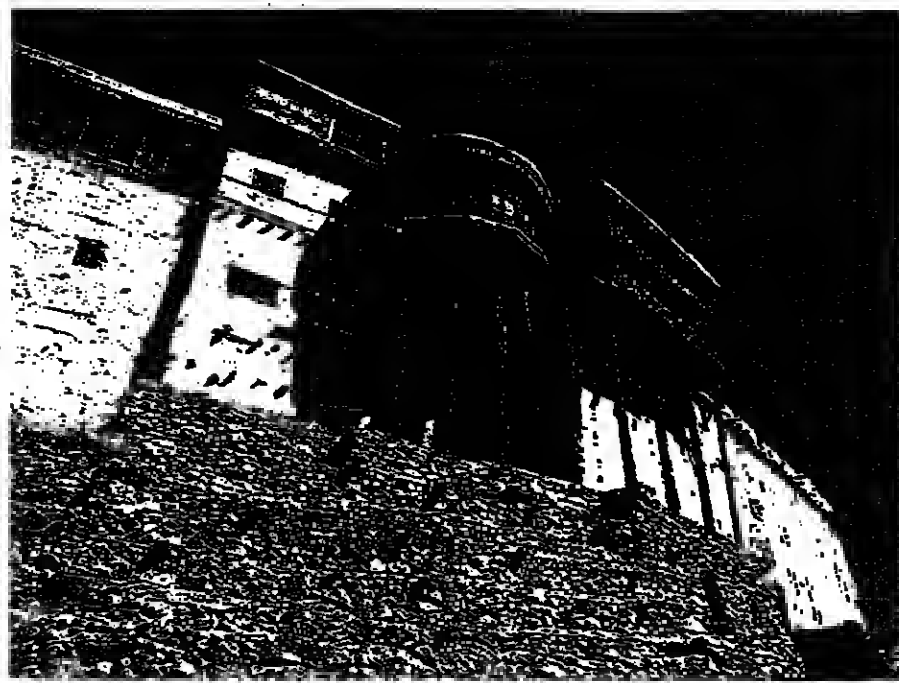
Outside an impressive new hotel in Karimabad, Hunza's capital, we were greeted by one of the current Mir's sons, who seemed to be in charge of his father's latest business enterprise. The Mir, whose ancestors once ruled Hunza, has no power today but his family still owns

much land in the area.

Over tea in the gardens of the palace, the Mir's son explained that when his mother was brought up to the valley from Lahore to marry his father, it was on the back of a horse. Times have changed. The Mir may have lost his feudal powers but his son drives a sports car and, with his hotel, hopes to cash in on what may soon become a flourishing tourist destination.

The Mir's son should be grateful for more than the chance to drive a fast car. Generations ago, he would not have survived at all. The story goes that, to avoid complex inheritance arrangements, Mirs once practised an unusual form of birth control. After the first son was born, subsequent male offspring were hurled down a gully on to the sharp granite below from a window of Altit fort, their residence at the time.

This medieval structure - with its ominous window -



Altit Fort, in northern Pakistan, after restoration by the Aga Khan Trust for Culture Sarah Murray

can now be visited, although it is in a desperate state of disrepair. Perched high on a rock with a 700-metre vertical drop to the raging river below, its defensive properties are formidable.

The Mirs later moved across the valley to Baltit fort where they remained until the 1940s. "Surely the most impressive medieval castle in the world," was how one western visitor described this extraordinary structure in 1925.

Constructed of wood, the 700-year-old fort would not have been built at all had current engineering standards been applied. The precariously steep site is hardly stable in a region where earth tremors occur daily. But a lofty location allowed Baltit's owners to raid trading routes between Persia and China.

With the money accumulated from such efforts, the Mirs indulged in the frequent refurbishment of their

home, adding towers, a second storey and a palatial top floor with features drawn from British colonial buildings of the Punjab.

In the 1920s foreign visitors said they saw walls blackened with age hanging with family portraits, a collection of clocks, souvenirs from Europe, and an ancestral sword and dagger. At first glance, little appears to have changed. Portraits still adorn the walls, as do a variety of swords, and the place

retains its dim, medieval atmosphere.

But behind the earthy plaster lies high-strength polymer mesh. New foundations have stabilised the south facade and steel tie bars help keep leaning walls in place. A transformation has occurred. In the early 1980s the fort was in much the same state as Altit. Roofs were decayed, empty rooms were covered in graffiti and walls leaned precariously outside the foundation lines.

After an extensive restoration programme by the Aga Khan Trust for Culture, the building reopened last month as the Baltit Fort Museum, combining the best features of an ancient pile with elements of a contemporary museum. Subtle lighting creates an atmosphere that leaves the imagination free to roam while modern interventions have been left visible. One of the rooms has been turned into a study centre where high-tech furniture sits within the medieval walls.

One of the Mir's relatives is now the custodian of the fort the greatest glory of which is perhaps the view from its windows. Unlike his ancestors, however, he can now enjoy the dramatic scenery without any risk of being hurled down a gully.

See How To Spend It, the colour magazine.

Tracks - but no wolf

The tracks, which took a straight line across the frozen lake, were round, deep and large as saucers.

They came from a cache of frozen meat behind the log cabin and disappeared up the valley. I followed crunching over the snow, 4ft thick in parts. The trail was direct and determined, its maker had trotted along purposefully, unwilling to be sidetracked. There could be no doubt that this was wolf.

Canada is noted for being one of the last strongholds of the wolf and here, in the 280 sq mile (670 sq km) Jacques Cartier Conservation Park, north of Quebec, there are two packs, each of five or six individuals. One pack, led by a large wolf known as Alex and his alpha female, lives mainly in the south and west of the park while the other inhabits the more remote north and east.

A couple of wolves in each pack carry radio collars so that their movements can be monitored by Pierre Vaillancourt and his Faune Aventure team. Picking up the initial radio signal to locate the animals is all but impossible in the rugged terrain and dense undergrowth, even with snow mobiles and snow-shoes. The solution is a helicopter.

A distant clatter of rotor blades indicated that it was on its approach. As the rotors swung to halt I was able to read the Canadian French on the side - "Hors La Loi" or "Outlaw". Pierre and Stephan fastened their radio telemetry aerial to the front of the helicopter and then we were off, swinging over the tree tops with eyes peeled for moose and for wolf tracks, and with ears listening reply to the signal on the radio receiver.

The Park consists almost entirely of a plateau covered with fir, spruce and birch. Along the western boundary, a split in the Earth's crust has created the pile-up Jacques Cartier Valley, steep sided and 1,800ft deep, which has been smoothed to a U-shape by subsequent glacial action. Those on the right of the aircraft spotted moose tracks in the valley bottom and we nose-dived towards the ice-covered river. The tracks began to scale the valley wall and within seconds the helicopter was climbing like a lift as we followed their path through the bare trees.

The regular beep of the radio signal was increasing in volume. The wolf pack was not far away. Skimming the tree tops, we buzzed back and forth over a small area, but could not make out the wolves under the tangle of branches. But we had a fix on Alex and friends. By way of a grand finale we flew under power lines on the edge of the park and then swept down the narrow gorge of the North West Jacques Cartier River.

Eight years ago, Pierre Vaillancourt was employed as a technician by the Canadian Wildlife Service. A shortage of funds led to his redundancy two years later. He began Faune Aventure shortly after and now works in conjunction with the park

administration. He and his colleagues act as consultants, providing the park with information on its wolves and making management proposals. In return, the authorities provide facilities in the park, which is closed for the winter, such as the right to use snowmobiles and access to the visitor centre.

To fund the wolf project, Faune Aventure invites paying clients to see the wildlife of the park as well as radio tracking the wolves on snowmobile, snow-shoes and from a helicopter. This provides direct finance for their activities while enabling them to win friends for the wolf as they demonstrate their work.

Twice we forsook the soporific warmth of the great wood fires which heated our log cabin homes to venture out in the moonlight to howl.

By calling the wolves in

We found a signal and hurried up the valley side, hot on the trail

this way, and encouraging them to howl back, it is possible to locate the animals and estimate the numbers in their pack. But our howling, the sound echoing round the valley, received no reply.

During our six-day stay we had come to realise just how much activity there was in the woods. We had seen American martens and squirrels, grey jays and chickadees and been shown the surface footprints of fox, snowshoe hare and rabbit and the deep, plunging tracks of moose. But, although a wolf had visited our cabin in the night, it had remained elusive.

One day, we followed the radio fix, made in the helicopter, far into the hills, travelling over rough terrain by snowmobile and stopping to try the receiver from time to time.

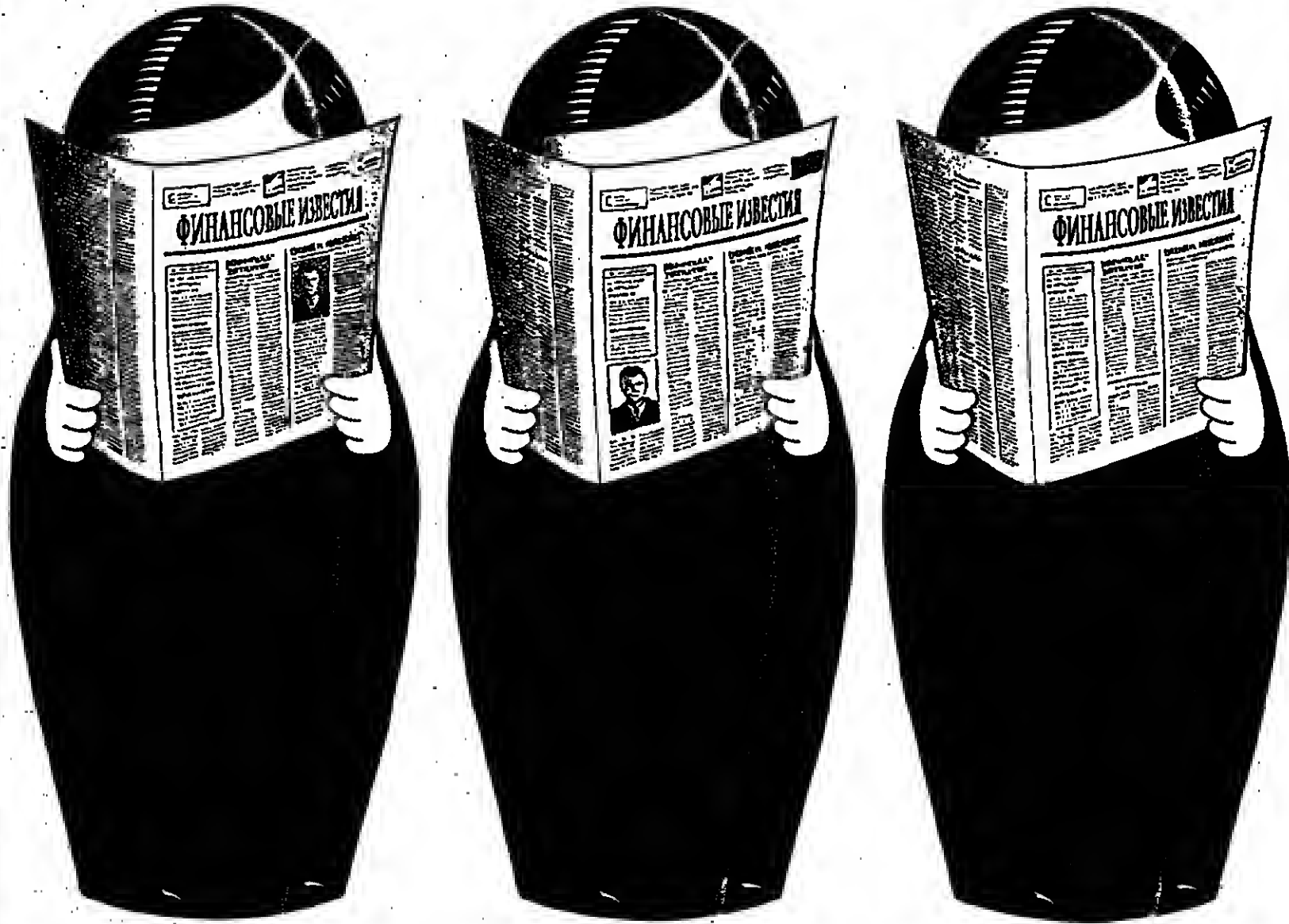
At last we found a signal and hurried up the valley side, hot on the trail.

Two sets of wolf tracks crossed our path and, when we rounded the corner we found that, centering now, they had crossed again higher up. A receding radio signal told of their retreat into impenetrable country. We had been minutes behind.

Seeing a supremely suspicious wolf is all but impossible but simply being that close to these cautious grey ghosts was a reward in itself.

Michael J. Woods

Michael Woods' trip was organised by the Canadian Tourist Office (tel: 0171-258 6600) and Quebec Tourism (0171-330 9142). He flew with Air Canada (0161-850 8485) and went tracking in Jacques-Cartier Conservation Park with Faune Aventure, 914 Duchesneau, Sainte-Foy, Quebec, Canada G1X 2Z4. Tel and fax: 418 848 8999.



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FOOD AND DRINK



Two fat ladies: television cooks Clarissa Dickson Wright (left) and Jennifer Paterson

Recipes from Britain's television cooks and chefs

PARTRIDGES WITH CABBAGE

As Clarissa Dickson Wright writes in *Two Fat Ladies* (Ebury, £17.99): "This is excellent and a good way of dealing with older birds."

One partridge per person; 1 medium cabbage (preferably Savoy), shredded; 55g butter, lard or bacon fat; 1/4 tsp paprika; juniper berries; 300ml double cream.

Method: Parboil the shredded cabbage in salted water for 10 minutes. Drain it well.

In a heavy pan, melt the butter and brown the partridges on all sides. Add the cabbage, season with salt and pepper, and add the paprika and a few juniper berries. Cover and cook for 20 minutes.

Add the cream, mix well and adjust the seasoning. Cover and cook for a further 10 minutes.

PIGEON BREASTS WITH HONEY AND GINGER

Quoted in *Two Fat Ladies*, this recipe comes from Paul Coses. The quantities given for the sauce will make more than needed here, so you can have fun finding other uses for it.

Eight pigeon breasts; 55g butter; the juice of half a lemon. For the sauce: 85g sugar; 115g stem ginger; 2 tablespoons runny honey.

Method: For the sauce, dissolve the sugar in 150ml water and boil for 4 minutes without stirring. In a blender, pulverise the ginger, add the honey and process, gradually pouring in the sugar syrup. Blend until smooth. This can be done in advance and kept in the fridge.

Heat the butter in a frying pan until foaming and cook the pigeon breasts for 3 minutes on each side. Add 2 tablespoons of the ginger sauce and cook for a minute more. Remove the breasts, slice them lengthways and lay out on

warmed plates. Add the lemon juice to the frying pan and cook until the sauce is thick and syrupy. Season to taste. Pour the sauce over the pigeon breasts and serve hot. Or, if serving cold, add thinly sliced fennel dressed with oil and lemon juice.

STINGO AL FORNO

This specialty of the Don Lisander Restaurant in Milan comes from Antonio Carluccio's *Italian Feast* (BBC Books, £16.99). "It is a wonderful idea to cook this for a large party of at least 10 people," writes Carluccio, who suggests serving with a mixture of vegetables such as courgettes, auberges, carrots, leeks and spinach. In England you will probably need to place your order for shin of veal with the butcher well in advance.

Four kilogram shin of veal; 2 garlic cloves cut into quarters; 5 sprigs of rosemary; 1 medium sized onion; 350ml stock; 2 tablespoons olive oil.

Method: With a sharp knife place the outer skin of the veal in several places and insert the rosemary and garlic pieces. Season the whole piece of meat with salt and pepper. Slice the onion in rings and put them into a roasting pan with the stock, olive oil and the meat. Cover with foil and roast in the oven for 1 hour 30 minutes. After 30 minutes remove the foil. During the cooking baste the meat from time to time with the liquid.

When the veal is cooked, strain off the liquid and use it as a sauce to serve with the meat.

NEXT WEEK

Philippa Davenport writes about Christmas cakes - to buy and to make.

The British: a nation of culinary voyeurs

A new channel devoted exclusively to food and cookery has just mushroomed on to British television screens. Cooking, we are told, is now one of the nation's main hobbies.

I take this news with a pinch of salt. The British appetite for culinary voyeurism certainly seems to know no bounds. Chef-watching has become a national pastime; yesterday's idolisers of pop stars and footballers have grown up to become chef groupies.

But soaring viewing figures for television cookery programmes are matched by soaring sales of processed foods (or ready-prepared or value-added food lines, as the manufacturers prefer to call them). The ironic truth, I suspect, is that at least half the audience of gastronomic programmes are tucking into Marks and Spencer microwaved chill-fresh dishes or dipping into packet snacks as they view.

Day-long cookery on television is not new in the US, where, I hear, Julia Child's 1970s series is

Philippa Davenport considers the current passion for television cookery programmes in the UK

reshowing yet again. Child first made her name as one of the trio who wrote *Mastering The Art of French Cookery*, a tome that devotes seven pages to making a cheese soufflé and it lists not only the ingredients but all the equipment needed to make it, right down to minutiae such as saucepan capacity.

As a pioneer of American television cookery in the days when re-takes were rare and every detail was planned and rehearsed, Child earned her crown as queen of cooks for sheer aplomb. When, for example, a chicken she was preparing slid to the floor in front of camera, she picked it up, it is said, without batting an eyelid and went on as though nothing untoward had happened. Majesterial is the description of her that crops up time and again; tall, deep-voiced and authoritative, she is a larger-than-life figure in every sense.

A lighter approach is displayed in an American series recently

shown in Britain, *You Can Cook*. The eponymous Yan is a virtuoso with a chopping knife. He reduces ingredients - but miraculously not his fingers - to smithereens within seconds, to gales of applause from a live audience. In spite of the conjuring act presentation, the underlying approach remains serious. In American television cookery, the ingredients, the techniques and the recipes are, it seems, what really matter.

In Britain, on the other hand, although BBC cookery programmes used to come under the corporation's educational wing, the old aims of educating and inspiring seem to have been replaced by the need to entertain.

The cult of celebrity, personality and gimmickry has affected the British. It is no longer enough for cooks to be cooks, or for chefs to have great signature dishes, they must be performers if they hope to gain a television slot. To be passionate about food, to source ingredients well, to be a

good cook and communicator is, apparently, insufficient to send viewing figures and book sales rocketing.

Producers thirst after a quirk, a twist, a catchphrase, a unique selling point, the more flamboyant the better, that will make

Carluccio is Britain's best known Italian shopkeeper, the Pavarotti of fungi fans

their programme stand out from the rest. If you lack a party trick, an ambitious producer will invent one. Thus Rick Stein, whose natural talents and enthusiasm make any extra superfluous, was portrayed as the television chef with the dog who growled.

Della Smith has managed to get away without having any such foolishness foisted on her, but only I suspect because she has been such a longstanding success that she can dictate her own terms.

My personal favourites are minnows compared to Smith and their series are, I suppose, considered too straightforward to show again as yet. Maria José Sevilla, Mireille Johnston and, best of all, Claudia Roden's tour of Mediterranean cooks and cooking.

On the other hand, new series seem to be readily forthcoming for Gary Rhodes (launched as the culinary answer to Nigel Kennedy) and Keith Floyd, who took over the BBC's bibulous niche when Fanny and Johnnie Craddock's reign came to an end. His habit of directing the cameraman is, I presume, another feather in his cap in the eyes of entertainment-besotted producers.

This autumn, British television cookery has been going through a pro agelism and sizeism phase

with the screening of series by Antonio Carluccio, and Clarissa Dickson Wright and Jennifer Paterson. In an era when under-age waits tend to get to the top, it is encouraging that those in late middle age, and larger than size 18, are being thus celebrated. Carluccio is Britain's best known Italian shopkeeper, the Pavarotti of fungi fanatics, a cuddly looking Michelin man, and he clearly relishes the role of centre-stage entertainer. Carluccio's previous television appearances, in the otherwise unwatchable BBC Food & Drink programme, were a delight, lightly edited nuggets that throbbed with Italian life and set the saliva sprinting.

His solo series, *Italian Feast*, (BBC) has been less well-paced, sometimes self-indulgent and the camera lingers too long. If I see another cat prowling or snoozing in a corner, I shall scream. And I am beginning to feel a little embarrassed by the endless stream of superlatives he utters, usually about his own cooking.

Only a group of Milanese fashion students, for whom he cooks *pizzoccheri* (a dish of buckwheat pasta, cabbage and potato from Valtellina) are translated as having less than ecstatic reactions. As it happens, I agree with Carluccio; it is a wonderful dish.

Clarissa Dickson Wright and Jennifer Paterson are a double act, not as in Fanny and Johnnie Craddock or Laurel and Hardy, where there is one lead and one fall guy, but a double act where both partners are of equal weight.

Two Fat Ladies (BBC 2, Thursdays) is deliciously politically incorrect in every way, from the programme title to the immaculate accents of its Junoesque heroines with their outrageous opinions, committed to the pleasures of meat, chocolate and cream, militantly anti-vegetarian and frequently ridiculing the health lobby.

Knowledge and wit lie behind the slapstick and they have some cookable recipes to offer, or should I say receipts.

Bubbling to the top of the pile

Giles MacDonogh on the Taittinger marque

Time changes, but the names remain the same. Almost all the champagne houses which make up the club called the *Syndicat des Grandes Marques* have existed since the organisation was founded in 1882. Being a *grande marque* means you are a member of the elite.

Younger or less powerful companies are brushed aside while the *syndicat* bars entry to those huge co-operatives which have since become a force to be reckoned with in the business, notably through their sales of own-label brands to British supermarkets.

In spite of their high and mighty attitude most members of the *syndicat* would have trouble existing without the champagnes they buy in from one or the other.

Until recently it seemed then once you were in the club you were home and dry. In practice poor quality champagnes was not punishable by relegation. It was getting in to the *syndicat* which was the problem. In the past three years, however, there has been talk of a shake up and a few houses

(mostly *sous-marques* which had long ceased to possess an identity of their own) have left of their own accord. We are still holding our breath to see if there is to be any real bloodshed.

In the past century fewer than a handful of companies have actually managed to join the *syndicat*. Of these the two most striking examples are Laurent Perrier and Taittinger. The former was a little house in Tours-sur-Marne which grew big after the second world war, the latter is a creation of the interwar years, launched by a family which has played a small part in the history of France in our century.

The family's beginnings were humble enough. The "Taittingers" came from Lorraine and opted for France when the city of Metz became German in 1871. Pierre-Alexandre Taittinger rose to prominence in local politics, becoming Mayor of Saint Denis in the now Paris suburbs. His son, Pierre, founded the champagne house of Taittinger in 1930. He was a politician of note, the leader of the young patriots who, with their paramilitary garb, duplicated the

extreme right-wing movements which were then emerging on the far side of the Rhine.

Two of his sons followed him into the chamber, Jean Taittinger even became a Gaullist Minister of Justice. Nor were the Taittingers any less successful in business. Another of Pierre's sons, Guy, became President of the Banque de Worms, and in 1956 they created the Société du Louvre, which owns the Crillon Hotel, among other things.

It seems to have been Pierre who had the idea of gate-crashing the history of champagne: when your family has no past of its own you can always buy one. It was a practice which was not without precedent in the region. Moët et Chandon purchased the Abbey of Hautvillers in order to make the patriarchal figure of Dom Pérignon - the putative inventor of sparkling champagne - their own. Pierre Taittinger acquired a string of credentials: a champagne house or two; the palace of the counts of Champagne in Rheims; the manor of La Marquetterie, where he had been billeted during the war;



and the cellars of the Abbey of Saint Nizaise in Rheims. Claude, his son, the present chairman of the champagne firm, has polished up the family's escutcheon by penning books on the various ancestors that Taittinger has acquired along the way. His latest effort is his gossipy history of the House. The translation (Editions Stock) falls to make a dent on his outlandish Gallic style.

Laurent Perrier, that other post-war master in the champagne universe, never saw need to promote itself in this way. His style was more discrete and aristocratic. There are noticeable touches of moneyed vulgarity about Taittinger, including the strange "collection" range where bottles of ordinary

vintage wine are wrapped in a plastic sheath decorated by a contemporary artist. The trick, it seems, is not to drink it. If you do, it loses its value as a work of art.

Leaving such gimmicks aside, Taittinger's champagnes are very good. The non-vintage (£21.99 from Majestic and Oddbins) is one of the best, containing a high proportion of old Chardonnay wine. The vintage 1990 (£28.49) is also dominated by Chardonnay and has a rich peachiness about it. Best of all are the Comtes de Champagne wines (£89.99), the superbly elegant *blanc de blancs* and the pure Pinot Noir *rosé*. We may grumble about some of the houses, but no one challenges Taittinger's right to be up with the pack leaders.

A meal to savour in Burgenland

Burgenland forms Austria's eastern border and is filled with castles, hence the name. It used to be part of Hungary, and, as such, enjoyed a more liberal regime than neighbouring Lower Austria.

Protestants who were persecuted in Austria, settled there on the huge, shallow Neusiedler Lake. So did many Croats. To this day, a number of villages speak Croat. Most Burgenländer, however, have always spoken German and, for this reason, the territory elected to join Austria in 1921, two years after the Treaty of Versailles had shorn the rump of the Habsburg Empire of its many dependencies.

There are many reasons for going to Burgenland. It is just an hour from Vienna and boasts, among other things, numerous pilgrimage churches and castles, the old town of Rust with its storks; and the healing waters of Bad Tatzmannsdorf.

Some of Austria's best wines are made there. Food, however, is not the region's strong suit. Although there is much talk of the special "Pannonian" cooking, with its capicums and paprika, it can be hard to track down.

All of which makes Taubenkobel exceptional. It is one of the best restaurants in Austria, possibly the best in the east of the country. It is also conveniently situated in Schützen am Gebirge, a few minutes drive from Rust, or the regional capital, Eisenstadt, where it is housed in an old Burgenland farmhouse, a rare thing since the post-second world war orgy of destruction which has taken place in the Austrian countryside.

I was introduced to Taubenkobel by Engelbert Prieler, Schützen's best winemaker, back in 1991, when the Eiselböcks' new-wave restaurant was still comparatively unknown outside Burgenland. After the stodge I had been subjected to until then, the place was a revelation. I have been back since. My best meal at Taubenkobel was last month. I popped in with Prieler for a quick lunch to try his most recent vintage. I emerged, over an hour late for my next appointment, having consumed what Frau Eiselböck had described as "five courses". I counted 10. They were all delicious.

Walter Eiselböck and Eveline, his wife, had just returned from a short trip to London where they had been greatly impressed by Marco Pierre White. Eiselböck has

richest of veal stocks. One of the real high-points came next: a fillet of local catfish with cubes of calves' head, the fish crunchy, the flesh soft and buttery, relieved by a little coriander and black pepper. This was actually

trounced by a small piece of slowly-cooked pig's cheek with potato purée and truffle crisps. Dividing the cheek from the purée were two potato crisps stuck together containing a slice of truffle. Truffles covered the potatoes and enriched the sauce.

The oest fish was pigeon - Taubenkobel means dove-cote - and a baked shallot and celeriac purée decorated with a stick of oven-dried celery. In the sauce were diced celery and cubes of pigeon liver.

The portions were small, but I was already groaning, and welcomed the small pear sorbet which heralded the desserts: a quark dumpling with cherries and custard; and a piece of homely carrot cake which concluded the feast.

Prieler's wines shaped up admirably. The best were the 1992 Chardonnay and the 1993 Cabernet Sauvignon; and a still fresh 1995 Blaufränkisch, which, for some strange reason, turned up with the coffee.

Prieler's wines are now available from PFW Wines UK Ltd. For stockists call 0181-785 8161.

A simple mushroom soup had been enhanced by the

One of the high points was fillet of local catfish with cubes of calves' head

some of White's panache, but his cooking is refreshingly anchored in local tradition.

The *amuse gueule*, for example, was a *quadrès* of smoked pork. This was followed by a complicated, but successful, dish of beetroot with marinated chat and baked carp, strewn with caviar. Frau Eiselböck, who acts as sommelier in the restaurant, placed two of Prieler's Pinot Blancs on the table to accompany the dish: one for the carp, and one for the chat.

A simple mushroom soup had been enhanced by the

Giles MacDonogh

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Appetisers
flavours and favours Italian food. She has opened at Lola's, 389 Upper Street, NI (0171-359 1932). A two-course lunch is £12.
Nicholas Lander
At its normal price of £3.29, Somerfield's Chilean red 1996, a UK-bottled blend of deep coloured fruit from Talca, southern Chile, would be unremarkable, but at the special offer price of £1.99 until December 3 (or stock runs out), it is a bargain.
Janice Robinson
It was the dedication, if that is the right term, on the inside cover of David

Appetisers
Chater's book, *The Impoverished Gastronomy* (Fourth Estate, £7.99, 250 pages, paperback), which caught the eye.
It is a "tribute" to the Weekend FT personal finance editor, which reads: "For Gillian O'Connor. You couldn't hope to be sacked by a nicer person."
After being dismissed, Chater decided to compile a "mean cuisine" cookery book. And it is a worthwhile buy. He has obtained some lively recipes from Britain's best chefs - a genuine pot pourri of exciting ideas.
Jill James

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FOOD AND DRINK

Lured to an innovative hot spot

Nicholas Lander eats at The Typhoon Brewery

Manhattan's latest answer to the perennial question, "what makes a successful business?" is more unusual than most. Called Typhoon, it is a combination of a microbrewery with a range of flavourful beers and Thai food.

James Chew is its talented chef and his managing partners are Jack Kenley and Walter Steinmann. Chew is a former assistant district attorney who, disillusioned with law, went to a Californian cookery school. Kenley is a former business school lecturer and Walter Steinmann is a businessman who runs a plastics factory.

Diners have been queuing around the block, such is the new restaurant's reputation. Financial returns are, initially, more than encouraging. An investment of \$2m, from 30 friends and friends of friends, looks amply covered by anticipated first-year sales of \$6m and better than average margins created by on-site brewing.

Yet Kenley's initial foray into microbreweries was not so successful. Although his first attempt, Capital City Brewing, on H and 11th Street, in Washington DC, now prospers, Kenley had to sell his condominium and yacht to raise extra cash.

But his enthusiasm for microbrewing was undiminished. The phenomenon,

which began on the west coast, produces limited batches of individual beers radically different from America's brewing giants, and is catching on all over the US. "Beer is a drink for today," Kenley says, explaining his success.

He spent two years looking for the right site before his charm finally persuaded the owner of Reilly's, an Irish pub that had fought off Manhattan's biggest developers, including the Rockefeller's, to part with 12,000 sq ft of mid-town Manhattan.

Determination then had to supersede charm. "I discovered," Kenley said, "that in trying to combine a microbrewery and restaurant I doubled the number of state and federal agencies I had to deal with. I think there were 10 in all."

Yet it was at that stage that Kenley's inexperience allowed Typhoon's individuality to develop. Plans to serve typically American bar food were swept aside after an encounter with Chew, who had cooked with Barry Vine at the illustrious Quilted Giraffe, then at Jo Jo's and Vong. On his return from a two-month tour of Thailand he was determined to recreate authentic Thai cuisine.

A most unusual restaurant is the result. First, you are drawn in not by baking smells, but by the aroma of hops; then there is the sight,

almost surreal for bustling Manhattan, of stainless steel tanks slowly fermenting 2,000 barrels of beer a year, visible through large glass windows.

On the ground floor Typhoon serves five of its own beers (a cream ale, a pale ale, a wheat beer, a stout and an extra special bitter) and satays such as shrimp with tamarind glaze, squid with green coconut curry and chicken with lemongrass, chilli and garlic. Wine is on offer by the bottle, glass and half glass.

Chew makes subtle use of elemental Thai ingredients: lemongrass, lime leaves, fresh turmeric, basil, mint leaves, garlic and shallots. He breaks the menu down into what he calls the basic five Thai tastes - salty, sweet, sour, bitter and hot/spicy - rather than starters, main courses or desserts.

These are, in essence, the main flavours of all cooking but I was not there to quibble, rather, as the Americans would say, to enjoy, which is what I did: two excellent "salty" dishes, shell on shrimp with garlic and pepper and steamed tofu with minced chicken and basil; a sweet salad of mango, grapefruit and Asian greens and a bitter dish of mustard greens, garlic and yellow bean sauce.

These paved the way for hot and spicy wok-charred Manila clams with red chilli jam and crispy softshell



Chef Jimmy Chew with the Thai altar figure which, he hopes, casts a benevolent spirit in his kitchen

crabs with Thai basil and glass noodles. This made the subsequent lychee, mango and coconut sorbets seem rather mundane but nonetheless essential.

Chew recognises that his hardest task now is maintaining standards. Initial success will generate more customers with even higher expectations. Kenley, relieved from seeing his commercial and gastronomic ideas justified, is busy turning down offers to replicate Typhoon across the US, to ensure that it is not a one-

year wonder. And Steinmann, the newowner to the restaurant trade, is just astonished by what people will see to be associated with a successful restaurant.

"I came in one night," he said, "and overheard a complete stranger chatting up a

More treats in New York

The most exciting place to inspect, smell and buy fresh produce and freshly cooked food. That was my verdict on The Vinegar Factory, the food warehouse which Eli Zabar has created at 431 East 91st Street between York and First Avenues.

At weekends upstairs becomes an exciting café where the approach is summed up by the logo on staff T-shirts, "All The Hills, No Spills". Tel: 212-987 0688, fax: 212-366 5700.

After an interval of five years, lunch at Le Bernardin on 165 W51st, between 6th and 7th, (212-489 1515) reinforced my belief that this is still one of the finest fish restaurants in the city. I ordered a "pizza" of grilled shrimp, thinly pounded yellowfin tuna, and slowly roasted monkfish tail spiked with chorizo. Desserts were first class.

Yet lunch was less enjoyable than on previous visits because of the proximity of other diners. So many extra tables have been squeezed in that conversation was difficult.

After a meal at Picholine, on 35 West 64th Street (212-754 8585), with fixed-price menus between 5.50pm and 7.30pm, I am convinced that no Manhattan chef offers more culinary excitement than Terrance Brennan.

In addition to the autumn menu, there are two tasting menus, a daily rota of classic dishes ranging from *turbot en papillote* to *coq-cous-royale*. In the evenings you can also sample Max McCalmán's 40-strong cheese trolley. Picholine also has a private dining room which seats eight, complete with separate entrance.

Dinner at the renovated Cellar in the Sky (212-524 7011), atop the World Trade Centre, was a five-course affair with seven wines at an inclusive price of \$125 per person, not including sales tax and service.

Our meal was conspicuous for the generosity with which the well-chosen wines, from Corton Charlemagne Bonneau de Martray 1988 to Dow's 1977 Vintage Port, were poured. The fish and meat courses were disappointing, but this should improve with time. Definitely for wine lovers.

Nicholas Lander

If it's London, it must be turkey

Jill James looks at the cost of what's on offer for Christmas in some of the top hotels

Christmas. That joyful time when wives can ensure the presence of errant husbands in the family nest; when local charities sing out-of-tune carols on your doorstep - and demand payment; when you look with kindly eye upon the local vicar who, for once, has to put in a full week's work...

Yes, bah, humbug. To beck with home and hearth. Break open the piggy bank, sell the share options, put the dog in kennels and take a break.

The only snag is that if you are staying in a London hotel, you had better like turkey. Chefs may be allowed their innovations with the starters but the main course is, apparently, sacrosanct. Here is a selection of what is on offer.

Andrew Turner, executive chef, will be serving a three-course lunch in the restaurant, including white pudding with *foie gras* and black olive essence and his signature winter crème brûlée with pistachio and mint. It costs \$115 per person - and you are "harmoniously welcomed" by a barbershop quartet on arrival.

You could opt instead for the jazz trio in the Belgrave Room and a four-course feast at £110 a head, \$60 for children aged under 12.

Tel: 0171-235 6900, fax 235 4330.



Lucknam Park near Bath: top-class country house comfort and style

If Christmas carols by a log fire are more to your taste, Claridge's in Mayfair is the place to be. From December 20 to January 15 (excluding December 31) one night's accommodation in a deluxe double room is \$250, \$170 for a single, including breakfast. There is a mulled wine reception and carols on Christmas eve. On Christmas Day, a traditional four-course lunch, pud, mince pies, crackers. Santa et al. will cost \$125 per person, \$75 for children.

Tel: 0171-629 8860, fax 499 2210.

For country house luxury in central London - and no, I wouldn't take the kids - The Comnaught's mahogany-paneled restaurant would certainly strike the right note. A six-course traditional lunch will cost \$106, plus 15 per cent service, VAT included. This the place for peace and quiet.

If you just want Christmas Day lunch, then six courses, with a main course choice of beef or turkey, costs £160 per person (£85 for children). Traditionalists can also watch the Queen's Speech afterwards.

Tel: 0171-493 8181, fax 493 2687.

The Savoy will be serving traditional lunches in The Grill to the sound of a harpist (£110 per head, \$60 per child under 13), and in The River Room to the accompaniment of pianist Ricky Valente (£145, children \$75).

From Monday December 23 until Thursday December 26, at \$850 a head for those sharing a double room. The price includes a drinks reception, breakfasts, tea and a dinner dance on Christmas Eve, lunch and dinner on the day and a 90th birthday gift on the 26th.

The Four Seasons Hotel, off Park Lane, has three Christmas lunches on the go, all with service and VAT included. The smallest menu is served in the lounge: salmon with caviar sauce, roast turkey, Christmas pud, coffee and mince pies, at \$40 a head.

In the Four Seasons Restaurant, at £100 a head (\$57 for children under 12), a seven-course menu starts with *reloué* of chops with truffle gnocchi, steamed parcel of brill and salmon with chive sauce. There is a choice of beef or turkey for the main dish.

In the Lanes Restaurant, there is a wide choice of *hors d'oeuvres* including lobster salad with baby spinach, quails with balsamic vinegar, scallops with ginger and lemongrass and much more. This is followed by a pumpkin and cumin soup and a choice of turkey or lamb for the main course. A selection of wines is included with the meal and the cost is \$98 a head, \$55 for under 12s.

There is a special bedroom rate of £100 plus VAT on December 26 for those who lunch at the hotel on Christmas Day.

Tel: 0171-499 0882, fax 493 6628.

The Memories restaurant, in The Langham Hilton, Portland Place, has a five-course menu including smoked salmon, albeit with an asparagus timbale, and roast turkey at \$85 a head. Santa will hand out presents, and the resident harpist will accompany your meal.

Tel: 0171-636 1000, fax 223 2940.

Palace on the shores of Lake Geneva (41-21 9 62 12 12), pick the mild winter climate of Paphos, Cyprus (Paphos Amathus Beach Hotel 357 6 24 73 00) or opt for the elegance of Brenner's Park-Hotel and Spa in Baden-Baden (49-7221 90 00).

For the Leading Hotels' brochure, information or reservations, call 0800-131 123 (toll free) or fax 0171-353 1543.

Finally, for skiers and non-skiers alike, Meraki still has six luxury chalets in the three valleys resort of Meribel available from December 20 to 27.

Prices start per person from \$549 and this includes flights, transfers, accommodation, breakfasts, tea, and kir and canapés before a four-course dinner. For those looking for a truly hassle-free week, qualified nannies are on hand to care for under-sixes at £71 per child, per week in chalet or crèche.

Tel: 01451-844788, fax 01451-844789.

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And, yes, turkey is on the Christmas day lunch menu.

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PROPERTY

Buildings can be full of surprises. Who would guess, for example, from looking at the exterior of a bistro in Barnstaple, Devon, that it contains a superb relief plastered ceiling that a merchant installed in Tudor times?

Georgian houses can also be deceptive. Occasionally, if the back of the house has steep roofs, small windows, low ceilings and exposed beams, you may find that it started life a good deal earlier - at any time from the Middle Ages to the 17th century.

To discover the story of your house, a visit to the National Monuments Record, in Swindon, with its 7m documents - texts, drawings and photographs - on the buildings and topography of England, is more than worthwhile. Similar archives for Wales and Scotland exist in Aberystwyth and Edinburgh. The NMR gladly sends information by post or fax, but if you go personally and browse, you are bound to learn a lot fortuitously.

Nearer home, the public library, local museum and county records office (for written history) can all help. You can also visit the County Sites and Monuments Record (for the archaeological side of the story). If it is not clear where to find the latter, call the county council's archaeology unit or its conservation officers.

The library should have local directories, guides and histories, including two monumental series: the *Victoria County History*, and the surveys of the Royal Commission on the Historical Monuments of England (which runs the NMR in Swindon).

It may also have the Department of Environment volumes with particulars of listed buildings. If it does not, the planning department should have them - or ask the National Monument Record.

These contain vital primary information on the date, type of building, sequence of construction and historical connections of nearly 500,000 listed buildings in England. The other vital source is the great Penguin series on the *Buildings of England*, founded by Sir Nikolaus Pevsner, and crammed with riveting data.

County records offices hold family, estate and church documents that may help the hunt. You could also try to see parish registers. In a small village with a low turnover in baptisms, marriages and funerals, they



The junction of Market Street and Bradshawgate, Leigh, Greater Manchester, in 1870. The same corner in 1890.



And again in 1897. The three photographs, from the National Monuments Record, provide an insight into England's changing streetscape.

A history of home

Gerald Cadogan on how to find out more about the house you live in

may go back 150 years or more.

The National Monuments Record is worth visiting both for its records and as a shrine to the railway age.

It occupies the former head office of the Great Western Railway. The stables have non-slip wooden treads, as the carriages did, the iron roof girders are shaped like rails, and the search room (once the drawing office) is like being up in the roof of a train shed.

A state-of-the-art cool box keeps records at between 8°C and 18°C. Several times a day, staff enter the archive to retrieve documents, which then spend from three hours to overnight in acclimatisation chambers to bring them slowly up to normal temperatures. After study, they are

cooled before going back into store. This procedure matters most for preserving negatives and glass plates (which can give crisp prints) for future generations.

Plans, technical notes (such as the building history of the local manor house), sale catalogues and maps, with many Ordnance Survey maps of all periods, including the 6m and 25m series. RAF vertical air photographs of the 1940s and 1950s for the UK, which show England after the war - and before a lot of redevelopment had taken place. Among other aerial shots are those from recent dry summers which reveal unsuspected field systems, medieval villages and Roman villas.

A computerised system called *Monarch* for recent

data, which will eventually cover the whole collection. Special collections, such as 66,000 architects' measured drawings, and inventories of maritime archaeology, stained glass and wall paintings - and Pevsner's own notes.

The architectural negatives of *Country Life* magazine, from the 1960s until the 1990s. If your house was featured, get in touch. The NMR probably has more pictures than those published in the magazine.

The NMR hopes, with English Heritage, to make a digitised national database of listed buildings. In the meantime, it faces listing particulars, makes prints from its negatives for a reasonable price and welcomes inquirers. Besides Swindon, it has a London search room at 55 Blandford Street, W1.

■ NMR, Swindon tel: 01793-414600, fax 014606; London 0171-208 8200, fax 224 5333. Internet: <http://www.rchme.gov.uk>.

■ Appointing project managers is standard practice with corporate clients but still rare with private ones. Yet they can remove difficulties for the client and ensure that work is done on time and to standard. APS (0171-815 0626), has now opened a

private clients division. APS charges between 7.5 and 12.5 per cent of the billings. If that seems a hefty overhead, it points out that it commissions the sub-contractors directly, so that the customer pays only their price plus APS's usual commission for the main contractor.

■ A lovely frivolity is for sale in Lower Swell, near Gloucestershire. Pineapple Spa - which, in spite of its name, never flourished as a spa - is a cottage dating from 1807 with an enticing blend of Indian and Georgian Gothic architectural motifs, and an underground spring. Its architect is Samuel Peppys Cockerell, brother of the more famous Charles Cockerell.

Samuel also designed nearby Sezincote in a similar style - a glorious Anglo-Indian house which local fox and stag hunting. The price from Phillips (01984-632040) is £382,500. Savills (01223-322555) is selling owner-breeder Bill Greedy's Stetchworth Park and its stud, near Newmarket. It has 50 loose boxes and 71 acres of paddocks.

In the grounds are a brick and flint gazebo and a restored ice house, while the property has its own borehole for water, and tanks for 12,000 gallons of fuel oil and 8,000 gallons of petrol, plus a generator system.

■ Whether running a vineyard in East Sussex counts as frivolous or a serious business, I do not know. But there is no doubting that a guide price of £1.5m (Knight Frank, 01892-515035), and 20 acres of vineyards supporting 21,500 vines, are serious. The house goes back to the 17th century but has an 1862 front.

There is also a tithe barn, dating from the 11th century, and a 10-year-old winery, with stainless steel and polypropylene tanks. St George's often manages to escape damaging spring frosts.

Gerald Cadogan

Gardening

Back to bright borders

Now is the time to plant red, yellow and magenta, says Robin Lane Fox

The weather has been swinging in all directions, but I have been using the calmer intervals to make an early start. November may seem like the worst moment to begin anything, but we have to adapt and change our habits as required, especially since recent spring and summer seasons have proved to be so dry.

It is a good idea to start moving trees, border plants and next year's shrubs before Christmas, giving them the extra three months to make roots when the ground is still soft. Trees in particular, if planted early, are less demanding of water during the summer period.

My first moves in the garden attach to the fashion for brightly coloured borders brought about in the past three years by many books advocating greater vibrancy. The 1960s was one of the decades of pastels and washed-out pinks and whites. Recent books, such as Tony Lord's *Best Borders* and Andrew Lawson's *Gardener's Book of Colour*, have taken a very different course. They have given ample space to brightly coloured photographs which at one time would have been dismissed as a riot. Red, yellow and magenta are back and I hope that new gardeners will give them particular attention as they start to lay their plants this month.

Naturally, old hands will see nothing particularly new in this fashion. In the 1980s, big borders were often laid out in combined reds and yellows, as can still be seen at Blickling Hall in Norfolk or at Sissinghurst in the South Cotswold Garden, well known for its combination of red and yellow. Strong colours were always around, but people shied away from them.

The pastel era - from 1950 to 1980 - will go down in gardening history as a curious phase, and serves to dismiss the belief that nothing has ever changed in the English garden since 1900. I have always liked clear reds and appropriate combinations of yellow and orange, including a dash of white to set off their relationship. The colour mix always looks better in full sun.

There are a number of ways gardeners can now live things up in their borders. The tall, red-flowered *Curtainus* is a glorified form of *Montheletia*, but much taller and bolder in leaf. I find that its flowers last even longer than the more publicised modern varieties, such as *Crococissia Lucifer*.

It keeps company with the admirable brown-red *Helenium Moerhelm Beauty* which has the supreme advantage of flowering two or three times between late July and October. The main yellows are forms of low-growing *Rudbeckia Fulgida*, which continued to make a good show until last weekend. All of the plants are pleasantly tolerant of poor, dry soil. They fill up the front row, while tall forms of *Helianthus* stand at the back, flowering after a mid-July rank of Day Lilies, especially my favourite yellow, *Hemerocallis Hyperion*. None of the modern improvements seems to me to match up to its clear, fresh colour.

Sedum round off the main-stays of this straightforward planting, but after looking at the latest colour books, I realise that I ought to be more consistent and ambitious.

Catalogues make the rarest forms of herbaceous *Potentilla* sound irresistible. I have struggled along with several of them, but they never flower freely and I was grateful to be told by an exhibiting nurseryman at a big summer show that the fault is not mine, but the English climate.

The only reliable variety is the well-known *Potentilla Gibbons Scarlet* which has therefore become my familiar cover in gaps between the existing redbeckias.

Sometimes, the best advice is not to try to be too clever. I am trying the recommended *Lobelia Cherry Ripe* and said to be hardy, though I rather doubt it. I am told that it does not even insist on the damp soil which suits others in the family, but I regard it as an experiment, worth passing on, still to be proved correct.

The bet can be hedged with appropriate dahlias, a godsend in gardens which opt for strong colour in their later season. This year, I have had continuous value from a small orange-red *Cactus* variety called *Shandy* which would not have been touched in the days of polite pastels.

In June, I always have a few individual plants of the brilliant scarlet *Lychnis Chalcedonica* to hand, because it contrasts so brilliantly with the fresh greens of early June and is so vivid that one plant at intervals goes a very long way indeed. As soon as this has flowered, I cut it ruthlessly and leave the show to tall *Crococissia Lucifer* in front.

This year, I have added the smaller *Crococissia Mrs Morrison* which is still

uncommon but is outstandingly beautiful, worth the extra expense if you use the *Plant Finder* to run it to ground. Its hanging flowers of dark scarlet are particularly clear and long-lasting.

Among the yellows, I have at least given up to that old sinner, *Golden Rod*. Actually, this rod is not so much golden as pale lemon-yellow and I now realise that this form, *Solidago Lemora*, is as pleasant and harmonious as its big, stale relation is ugly. It makes a cloud of flower about six high in blocks in the front row, an admirable foil for the spreading *potentilla*.

In the middle ranks, I have now doubled up on the pale yellow types of *Anthemis* which are such excellent value on dry soil. The tall *Wargrave* variety has always been my favourite, especially if it is properly dead-headed, but the cream-white *Anthemis Tinctoria Alba* is a softer and shorter companion, a lovely show of cream-white daisies on better-behaved bushes throughout the summer.

I am mixing in the unjustly unpopular *Hypericum Kestred* for the sake of its small fluffy yellow flowers and irresistible red fruits, one of my favourite shrubs which is usually banished to a poor soil and site where it performs badly.

Beginning in November, this reshuffle is already well ahead, except for the *Anthemis* and *Helenium* which move more easily in the spring.

For many years, we have tended to pussyfoot around with pale and white gardens, making no moves in the garden between November and early March.

This year, it is different on all fronts and if your eye has been caught by the hot new fashion being pushed at you, there is no time like the present for action.



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OUTDOORS

Part from building igloos, snow has few uses, really, except that it is fun to slide on and looks pretty on mountain-tops. And until the Scandinavians invented downhill skiing, making snow sexy, it was regarded by many as a nuisance.

Today, skiing is the universal language of the mountains, and on January 1 1984, I set out with the late Lucy Dicker, to meet skiers from 13 countries and experience their slopes during an unbroken period of 365 days in the Financial Times Round The World Ski Expedition.

There were 100 moments during this year of skiing which for us seemed to underline the passion and commitment that people around the globe have for this exhilarating but eccentric sport.

After savouring the joys of Colorado, Lucy and I were not expecting too much from the skiing east of the Mississippi, where we would ski through hilly-belt and banana-belt resorts. Wisconsin seemed to confirm our fears, but even that state, with hindsight, seemed like the Trols Valleys compared with what was to follow.

Arriving at Wisconsin's Mount La Crosse, we found folksy and friendly people waiting to greet us. But we had skied their 17 fairly short runs within an hour.

As we moved into Illinois, Indiana, Kentucky, Tennessee and Alabama, we were ready for a laugh at the expense of resorts such as Cloudmont, Ober Gatlinburg and Ski Butler. After all, when you have just skied the cream of the Rockies, the statistics of the resorts of America's deep south prompt a smirk - Cloudmont: vertical drop 150ft; skiing terrain: two 1,000ft-long slopes; lift capacity per hour: 800; average annual snowfall: 12ins.

Ski Butler (vertical drop 300ft) and Ober Gatlinburg (600ft) looked slightly more encouraging, with seven trails apiece. And here again, the friendliness and dedication of the locals wiped away our dismissive grins and hinted any potential gibes.

Our hearts went out in particular to Cloudmont, which is essentially a field with a lift or two. Yet, as Alabama's only ski hill, it attracts hundreds of people at weekends and has an excellent selection of rental skis.

They also have some good skiing stories, of course. The owner, Jack Jones and his son Cary, who makes all the snow, like to recall the telephone inquiry about a skier anxious to know what the snow conditions were like on the roads approaching the resort. "Sir," said Jones with



Facing the demons inside: after Lucy Dicker's death, Arnie Wilson felt closer to her in the snows of the Andes than he did sitting in despair in a London flat

Skiing

Joy, then tears, in the snow

Arnie Wilson learned much on his year-long expedition - and from the tragedy that followed

glee, "we don't make any snow on the roads."

Very occasionally, it does snow here in Alabama. The year before our visit, a freak lizard had blocked the roads. "For the first time in living memory we had real snow in the resort - but people couldn't get up here to ski it," Jones said.

In India we felt like creatures from another planet with our designer ski-suits, and state-of-the-art ski watches, as we made our daily trek to the snow. Each day we passed an extraordinary sight: hundreds of tourists from the south of the sub-continent teeming up the shushy slopes of the foothills 20 miles north of Manali, in Himachal Pradesh, to play in the snow.

The precarious, avalanche-prone mountain pass, with hairpin bends and precipitous drops,

led towards the Rohtang Glacier, the area which we were supposed to ski but never managed to get to because it was blocked with snow.

The road was dotted with huts where you could hire imitation fur coats, gloves and red boots in order to scramble up the piles of snow at the side of the road and then slither down again. They were all at it - mothers and grandmothers in saris, children, fathers and grandfathers - many of them seeing and touching snow for the first time.

What they thought of us as we disappeared over the edge of ravines (there were no ski lifts available) we will never know. But one thing is certain, like us they were getting supreme pleasure from sliding on snow.

Lucy was relieved to reach Japan, where everything works,

but where they tend to take things to extremes. Even in the Tokyo SkiDome - more of a mountain than Cloudmont, Alabama - they were terribly earnest about safety measures on their two high-speed quad chairs, buzzing around us and insisting that we lowered the safety bars for our tiny toy-town ride to the top of the slope.

At Goryu Toomi in the picturesque Hakuha Valley, close to the venue for the Men's Downhill in the 1998 Nagano winter Olympics, we had the privilege of staying in the Japanese equivalent of a pension, where we were entertained and fed by a handsome Japanese couple, the Noguchis.

The couple were a treat to be with and their hearty Japanese breakfasts fuelled our skiing in torrential rain on the local slopes.

It all felt different in South America, where Lucy was to enjoy what for her would be the spiritual highlights of our adventure. Our nine weeks in Chile and Argentina, the only continent in which neither of us had ever skied before, turned out to be the most haunting and reflective of our trip.

The Argentines were friendly, curious and garrulous. But it was the quieter, more dignified Chileans who stole Lucy's heart. And it was their side of the Andes, dotted with ski resorts built on the flanks of volcanoes, which enthralled us most.

Lucy, a staunch Anglophile, would say: "The Argentines are more like the Latins and the Chileans are more reserved,

like the Anglo-Saxons." We could not resist making comparisons in Australasia, too. We spent another nine weeks there and gradually felt we could differentiate between the Australian and New Zealand psyche.

On the slopes we found the Kiwis warm but the Australians even warmer. New Zealanders, we found, shared the reserve of the British; the Australians, far from having an inferiority complex about slopes inferior to the New Zealand Alps, seem to relish their skiing more and attack the slopes with great gusto if less skill.

And so Lucy and I skied, drove and flew our way back to Summit County, Colorado, for an outrageous final day of festivities with our expedition sponsors, and then on to Jackson Hole, Wyoming, where the odyssey had

begun 365 days earlier. Some 240 resorts later, we had flown almost 75,000 miles and skied not only round the world, but with the world and his wife. What had we learned of the skiers' world?

We learned that there are very few fortunes to be made from skiing. Few can expect to buy or run a ski resort to make money. Equally, I suspect the proportion of genuinely "nice" people in the ski business is higher than in most industries.

When Lucy was asked about the highlights of our trip she would always say: "The kindness of the people who welcomed us around the world."

When Lucy died, no fewer than 300 of those people wrote to me to commiserate. Lucy's sudden and cruel death, following a collision with another skier, my friend Peter Hardy, in the steep Couloir des Trifides in the fearsome but awe-inspiring ski area of La Grave, was utterly shattering. Skiing is my passion, but suddenly I dreaded the mountains because of what they had done to the woman I loved.

I had to face up to the fact that no matter which resort I visited around the world, I had been there before with Lucy. When I did venture back on to the snow for the first time, six months after Lucy's death, it was in La Parva, Chile, one of Lucy's favourites. Oddly, I felt a mixture of comfort and poignancy.

Even though there was not a run, lift or a restaurant I had not visited with Lucy, it felt strangely good to be back. Facing the demons inside seemed to make them weaker. But the magic was still there, and I felt closer to Lucy in the snows of the Andes than sitting in despair in a London flat.

Since that day, I have re-visited all 13 countries that Lucy and I skied in during 1994, and re-skied in 50 of the 240 resorts. I do not ski couloirs (steep gorges) any more - as Lucy's death proved, skiing is dangerous enough without looking for trouble.

But I still find deep wonder irresistible. I will not spend the rest of my life skiing blue runs - the thrill and the danger are inseparable.

Whatever the magic is, skiing is a sport I plan to stay in. I like the people, and I hope to die, like Lucy, with my ski boots well and truly on.

Tears In The Snow, Arnie Wilson's account of his record-breaking global ski trip with Lucy Dicker, written with William Hall, is published by Blake on December 4, price £15.99.

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SPORT / MOTORING

Rugby Union

Italy hopes to join the big boys

...And why not, argues Huw Richards

Patience is not normally regarded as an integral element in the Italian psyche. But it has become essential to Italian rugby players, as cherished ambitions remain unfulfilled.

It was predicted that England's captain for today's meeting with Italy would have a mildly outlandish name. That it should be Philip Ranulph De Gianvillia, whose name could have been mentioned in dispatches by William the Conqueror without occasioning comment, is a setback for Lawrence Bruno Nero Dallaglio, who sounds as though he should be playing for the other side.

Dallaglio's Italian ancestry is so recent that he had to take precautions against being called up for national service when his club Wasps played their European Cup tie in Milan.

Starting as England captain against the land of his father would have been appropriate. But, at 24, he has every reason to hope that his ambition has been deferred rather than thwarted.

His opponents today have similar hopes of the medium-term. Italy's visit to Twickenham is the second of a series of games against all four British nations, spread over three months and aimed at proving their right to annual fixtures against the British quartet and France, turning their Five Nations Championship into a Six Nations after France's expulsion from the Five Nations.

Italy's admission would acknowledge International Rugby Union's third age of expansion, altering patterns unchanged since before the first world war when France, Australia, New Zealand and South Africa joined the original British quartet.

Argentina and Romania hinted at a serious challenge in the 1970s, but the real stimulus has come from the first three World Cups, starting in 1987.

The new globalised rugby world can steal as well as give to hopeful nations. The great of the three big southern hemisphere unions in excluding the Pacific islands from their lucrative Super 12 competition serves as a reminder that the game's reality often falls short of its cherished rhetoric.

The British unions, until recently, showed next to no interest in helping aspiring continental European nations.

A further factor in the islands' exclusion was that they are small, impoverished nations. You cannot sell much television advertising in Tonga or Fiji. No such problems for wealthy, populous Italy. But there are more than commercial reasons behind the claims that Italy are the most convincing new contenders for full membership of rugby union's big leagues.

It has taken time to build that status. Italy's first international was a 9-0 defeat by Spain in 1923, and it was one of the beneficiaries of France's enforced turning to Europe in the 1930s after expulsion from the Five Nations

because of breaches of the amateur rules. Those rules came under examination again in the 1980s, as thinly veiled payments to players in the Italian league attracted Antipodean stars such as Andy Haden, the New Zealand lock forward, and Roger Gould, the Australian full-back.

Each World Cup has seen progress. Failure to qualify for the quarter-finals last year in South Africa was greeted as a disappointment, rather than the near-inevitability it had been on the first two occasions. But top-class competition will have to come more than once every four years if the breakthrough is to be made, and the Italians are bidding for Five Nations status, hoping with each match to build their credentials.

Beating Ireland 23-12 at Treviso, just before the last World Cup, was an important step. So was a 29-17 victory over a full Scotland team, in all but name, at Rieti in January. Australia may have won 40-18 in Padua last month, but Italy gave them a great deal of trouble. Visiting coach Greg Smith said then: "Italy are good enough to be in the Five Nations. They're fresh, keen and have ability. They would definitely improve with regular competition."

Michael Lynagh, the former Australian captain, who spent three years with top Italian club Benetton Treviso, agrees: "They've got the stamina and the infrastructure and would draw good crowds."

Ha acknowledges that their case would be strengthened if the Milan-Treviso club duopoly received tougher competition - Rovigo, traditional third contender, have struggled recently. But he has no doubts that a fresh generation - players such as half-back Alexander Troncon and flanker Carlo Checchinato - is coming through to succeed veterans such as the Cuttitta brothers, who sustained them through



Dallaglio (foreground): his hopes of captaincy may have been deferred rather than thwarted

Italy are still lacking in this. Two narrow defeats by Wales in the last two seasons might easily have been victories. They have yet to beat France in 18 meetings. But regular competition and equal status could rapidly counteract this weakness.

Italy could hardly be much less competitive than Wales (13 wins in 40 matches) and Ireland (10 wins) have been in the last 10 years, or England (11 wins) were in the 1970s or Scotland (9 wins) in the 1950s.

Games against Italy might initially lack the mystique of the ancient Five Nations rivalries. But so, once, did matches against France. Fans would relish their trips to Rome, Milan and Padua. So, doubtless, would Lawrence Dallaglio. His time may come, perhaps around the millennium. Italy's should come, and possibly sooner.

The success last weekend of Todd Woodbridge and Mark Woodford in the ATP Tour World Doubles Championship in Hartford, Connecticut, capped a glorious season for the popular Australians.

Having captured a fourth consecutive title at Wimbledon in July, they went on to strike Olympic gold in Atlanta and then won a second successive victory at the US Open. With this latest success they have each carried their 1996 earnings just past the \$1m mark.

No question, the Woodies are a great doubles team. And in an age of increasing specialisation, they are also good enough in singles (Woodford is ranked 27, Woodbridge 33) to pose a threat to any of the higher ranked men. Sadly, the reverse is not true. Few of the top 10 singles players take doubles seriously. Apart from Yevgeny Kafelnikov, only two members of that select group are ranked among the top 150 in doubles - Goran Ivanisevic (60) and Wayne Ferreira (101).

Why, you may ask, is Kafelnikov, the singles and doubles champion at the French Open

(and the first double winner in Paris since Ken Rosewall in 1968), the only man to rank among the top 10 in both singles (9) and doubles (5)?

The answer is complex. Disparity in prize money, endorsement income, the media's obsession with singles success, increasing strength in depth among the men, the ambition of coaches, the protective nature of managers - these are some of the reasons.

Why should Pete Sampras, for instance, already a multi-millionaire, bother to play doubles when he might be scheduled for a late evening match the night before an important singles?

The way things are at present, he does not have to. Yet professional tennis is part of the entertainment business and the spectators, most of whom enjoy watching doubles because they play more doubles than singles themselves, are surely entitled to

be entertained by the best players in both disciplines.

Who will ever forget John McEnroe and Michael Stich's victory at Wimbledon in 1992, that joyous conclusion to the 36-game fifth set on a festive Court No.1 on the third Monday? That was entertainment. It was also the first time since McEnroe and Fleming's fourth victory in 1984 that a singles champion had appeared in a men's doubles final.

There is a simple solution to this problem. If there was only one ranking list combining singles and doubles points then players would be forced to play doubles or risk a drop in ranking - and ultimately put their direct acceptance at tournaments in jeopardy.

Although privately Mark Miles, chief executive officer of the ATP Tour, agrees with this suggestion, he is enough of a realist to

Tennis / John Barrett

Hotshots who don't like doubles

know that it would be political suicide to attempt to introduce such a system. Today's stars, accustomed to life as singles specialists, would revolt.

Oh for the days when everyone enjoyed playing doubles - and

I can see the handsome Sedgeman now, a curly-haired, fleet-footed Australian volleying balls from all parts of the court as first he beat Jaroslav Drobny on the Friday - the men's final was then always on a Friday - then, on the Saturday, teaming with the lanky Ken McGregor to inflict a straight sets defeat on Vic Seixas and Eric Sturgess. After the ladies' doubles he was back on court again with Doris Hart to engineer the defeat of the tall Argentine, Enrique Moraes, and his Aussie partner, Thelma Long. After all that, Sedgeman still looked fresh enough to have played another five sets.

What a debt the game owes to the Australians who have produced some marvellous doubles players over the years. Remember the 18-year-old "twins" Lew Hoad and Ken Rosewall winning the first of their two titles in 1953? A wonderful per-

formance for Coronation year.

Then, a year later, Rex Hartwig and Mervyn Rose reminding us that a left-hander playing with a right-hander was perhaps the ideal combination, a principle underlined twice by Roy Emerson and Neale Fraser, five times by John Newcombe and Tony Roche, and once by Emerson and Rod Laver.

The next great Aussie doubles experts were the Supermacs, who restored the joy to men's doubles in the early 1980s after it had been through a lean period. The words of Macbeth's witches might have been penned specially for them. "Double, double, toil and trouble; Fire burn and cauldron bubble" perfectly describes Peter McNamee and Paul McNamee.

The fiery thrusts of the elegant McNamee from the right court and the bubbling energy of his dynamic partner McNamee, who

bounced around the court on india rubber legs, quelled the top Americans Bob Lutz and Stan Smith in 1980 and their compatriots, reigning champions Fleming and McInroe, in 1982.

After a serious knee injury in 1983 effectively ended his career when he had just broken into the top 10, McNamee took up coaching. He now lives in England and guides the fortunes of Australia's latest hope, Marc "The Scud" Philippoussis, the man with the fearsome serve.

McNamee cut his promotional teeth on the Hopman Cup, named after Australia's most successful ever Davis Cup captain, Harry Hopman, who helped him to change his weak single-handed backhand into a formidable double-handed shot. McNamee now fills the role of tournament director at the Australian Open.

"Last year we set new TV ratings records on Channel 7, up 50 per cent in prime time. We had 1,400 members of the media at the '96 Open and created \$101m worth of economic impact for Melbourne and Australia. Hop would have loved all that," he said. Which proves that there is life after doubles.

What a debt the game owes to the Australian doubles players

even mixed. Was it really as long ago as 1953 that Frank Sedgeman won all three events at Wimbledon, four years after his first success, a doubles win with the great John Bromwich? In memory it seems like yesterday.



The new Peugeot 406 estate, left: a roomy and refined load carrier with elegant styling and a favourable comparison with the Mercedes-Benz C Class, right

Motoring

Scenic route for car of the year

European Car of the Year 1997 is, as I forecast two weeks ago, the Renault Mégane Scenic. Second was Ford's Ka and the runners-up were Volkswagen Passat, Skoda Octavia and Audi A3.

Scenic will clearly be a trend setter. A compact MPV (multi-purpose vehicle), it will be popular with families who neither need nor can afford a bulky seven seater. Small/medium in size, it offers the space of a much larger car with lower running costs. It goes on sale in Britain early next year.

The Ford Ka is a brilliant repackaging of Fiesta components. It breaks no new ground mechanically and is powered by one of Ford's oldest engines. But its styling is head-turning and it will be the first Ford in years to attract more retail buyers than fleet customers.

The VW Passat offers Audi A4 performance and refinement at lower cost. Right hand drive models for

Britain were due in February but will not now be available until April.

The Skoda Octavia and Audi A3 are very closely related under the sheet metal and share the same power trains and suspensions. A3 is on sale in Britain now; the Octavia in early 1998.

As motor trade guru Arnie Penn was saying (in this column, last week), medium-sized and priced cars are now so good there seems little point in going upmarket except for reasons of personal prestige. A few days later, while driving the Peugeot 406 estate and V6-engined 406 saloon in the Loire valley, I thought how right Penn - editor of the trade bible, Glass's Guide - had been.

When it was introduced earlier this year, the 406 set a new class standard for ride and handling. It is now run very close by the latest Ford Mondeo, new VW Passat, Nissan Primera, Vauxhall

(Opel) Vectra and the three-year-old Citroën Xantia. But adding 2.0-litre V6s makes the 406's appeal even greater.

First, the 406 estate. It looks almost as elegant as a Xantia estate and is as spacious as the disagreeably bulbous-backed Renault Laguna estate. The 406 estate is a few inches longer than the saloon. Its flat load floor is almost 8ft 11in (17cm) wide (8ft 2in/86.5cm between the wheel arches) and 4ft (119cm) long, extending to 8ft (182cm) when the back seat is folded. There are seven-seat family versions.

French roads have become so good that poor surfaces are difficult to find. But on a rough by-way, the 406 estates ride with the saloon's gentle shock-absorbency and freedom from excess tyre noise and handled with the same nimble precision. All were totally tranquil at the autoroute's 130mph/210kmph limit.

Standard transmission is

five-speed manual; a new four-speed automatic will be offered, but only with petrol engines, which is a pity. The 110-horsepower, 2.1-litre turbo-diesel used in the 406 also powers two-pedal versions of the Citroën XM.


The automatic transmission, developed by ZF of Germany to PSA (Peugeot-Citroën) specifications, is controlled by clever electronics. They first detect and then adapt to differing driving styles, vehicle loads and road conditions. In practice, it works so well it makes one wonder how much longer it will be before Europe follows the examples of the US and Japan, where automatics are the norm.

Peugeot and Renault developed the new 3.0-litre V6 engine, which is making its first appearance in the 406. Later it will power flagship versions of the Citroën Xantia and Renault Laguna as well as larger cars and MPVs made by both groups.

Even by the high standard of V6s, this new, all light alloy 24-valve engine is unusually smooth. It develops 194 horsepower and has so much pulling power from only 2,000rpm that, once away from town traffic, the manual V6 406 saloon I drove could be treated almost as a one-gear car. But this most luxurious 406, with its power-adjusted leather seats and standard air conditioning, cries out for the sheer convenience of automatic transmission. It would then stand comparison with any of the premium priced executive cars.

The new electronically controlled automatic transmission will be offered in the 2.0-litre 406 saloon from next month; V6-powered saloons arrive in January. Prices of the 406 estates are expected to be from £13,500 for a 1.8-litre L entry model to £20,000 plus for an automatic V6.

All 406 estates have twin airbags, roof rails and most have screenwipers that adjust speed automatically.



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A sane approach to madness

Anthony Storr hails a fruitful development in psychiatric thinking

The authors of this important book are psychiatrists who are rightly dissatisfied with our current classification of so-called "mental illnesses".

Brain disease, of which Alzheimer's and Creutzfeldt-Jakob's disease are examples, conform to the conventional "medical model". Brain cells atrophy or are destroyed by an infective agent, thus causing mental symptoms, just as liver cells are damaged by alcohol or cancer so causing symptoms of liver deficiency.

But the major forms of mental illness are not so easily pigeonholed. Manic-depressive illness, for example, is strongly determined by heredity, and, in its extreme forms, can and should be deemed an illness which demands psychiatric treatment. However, the borderlines between health and illness is blurred, because everyone becomes depressed when assailed by failure or bereavement; and many become euphoric when unexpectedly

successful or lucky. Both these responses can be seen as adaptive if viewed from the perspective of evolutionary theory.

The same is true of schizophrenia. The genetic factor is clearly established as a determinant, and some brain abnormalities have been discovered. But schizophrenics have a much lower fertility rate than average, so one would expect the disorder to die out. Instead, schizophrenia persists all over the world in much the same form irrespective of cultural differences, and shows no sign of disappearing.

The authors boldly suggest that, although full-blown schizophrenia is an appalling and tragic condition, it may be an exaggerated form of a genetically determined human variant which carries adaptive

advantages. As in the case of manic-depression, there is a continuum between illness and normality ranging from psychosis to the so-called "schizoid" personality, manifesting itself in no more than mild eccentricity.

Many more people have some "schizophrenic" symptoms than is generally realised. Delusions, hallucinations, out-of-body experiences, and distorted thinking occur in "normal" people. The relatives of schizophrenic patients show a greater degree of originality than the average, because their thinking is less conventional, more wide-ranging, more governed by unexpected associations. What becomes incomprehensible "thought disorder" in schizophrenic patients may have the same genetic roots as creative

EVOLUTIONARY PSYCHIATRY: A NEW BEGINNING
by Anthony Stevens and John Price
Routledge £45, 267 pages

thinking in those who do not break down. Schizophrenia may be the price the human species pays for being original, flexible, and inventive. Although the authors do not mention this, it may also be connected with the differentiation of the two halves of the brain consequent upon this. There is evidence that schizophrenia is associated with abnormal differentiation between the two hemispheres of the brain, as are mixed-handedness and dyslexia.

So manic-depressive illness and schizophrenia, the two major types of mental illness, can be regarded as grossly exaggerated and distorted forms of human reactions which originally served positive functions. This puts them in an entirely different category from Alzheimer's or Creutzfeldt-Jakob's diseases, which have no redeeming features, and no connection with normal personality.

Both authors of this original, provocative, fascinating book were influenced by the great ethologist, Niko Tinbergen. They also acknowledge a debt to John Bowlby, whose updating of psychoanalytic theory was based upon the ethological studies of Tinbergen, Konrad Lorenz, and Robert Hinde. Modern psychiatric diagnostic categories are quite inadequate.

For example, serial killers like Dennis Nilsen and Jeffrey Dahmer, whose behaviour demonstrates that they are as far from being normal human beings as one can get, were both deemed sane at their trials.

Stevens and Price are attempting a new and better classification by tracing the basic patterns of human psychosocial behaviour back to their biological roots, and then attempting to show how such originally adaptive patterns can become exaggerated or distorted. This approach promises a new and more fruitful understanding of the peculiarities of human behaviour than the medical model. Many male animals engage in ritual contests during the mating season. The winners gain access to several females.

The authors classify some human male sexual disorders as an expression of defeat in dominance struggles. The losers turn away from females to substitute gratifications because they have opted out of male competition. It has often been observed that many such males are, understandably, depressed.

This interpretation allows for the probability that, genetically speaking, some males may be born losers because they lack the genes needed for dominance. It also makes sense of that curious variety of human behaviour known as sadomasochism, which is so ubiquitous that the bulk of pornography is devoted to it.

The authors modestly claim that their book is no more than a first effort to define the basic components of human behaviour and its disorders in terms of evolutionary biology. They realise that they will provoke disagreement from conventional psychiatrists and psychoanalysts. In my view, this attempt at a new paradigm is one of the most fruitful developments in psychiatry in recent years.

Rereadings/Mark Archer

Longest kiss in literature

Yukio Mishima, the 20th-century Japanese novelist, is probably best known for his death. On November 25, 1970, aged 45 and at the height of his fame, he astonished the world by committing ritual suicide, or hara-kiri, by disembowelment.

Mishima's reputation has been served as badly by his detractors as by his admirers. Critics tend to dismiss him for his right-wing views and his bodybuilding fanaticism. Admirers tend to overlook the fact that his diverse literary output is extremely uneven in quality. His works include 15 novels (many of which have been made into films), 33 plays, two travel books, numerous essays and countless short-stories.



Assessing Mishima's literary merit is unusually difficult. If there is a single Mishima work which repays rereading, however, it is *Spring Snow*, the first of the quartet of novels entitled *The Sea of Fertility* which Mishima completed the morning before his death. The writing tails off badly in the subsequent stories, as abstract ideas overload the flimsiest of plots. But *Spring Snow* is a jewel of a novel, in which philosophy and poetry, ideas and action, fuse together magnificently.

Spring Snow contains the best, and certainly the longest, kiss in literature. In the single Penguin edition it lasts almost three pages, as the hero Kiyoko and his lover Satoko find themselves finally alone in a rickshaw pulled by runners through the snow. Caught up in a love affair which both know is doomed, their kiss enacts the novel's principal theme, an experience - like spring snow - made beautiful by the awareness of its transience. "The moment when a kiss ends - it was like awakening reluctantly from sleep, struggling drowsily against the glare of the morning sun as it struck their eyelids, as they yearned to hold on to the fragment of unconsciousness left to them. That is the moment when sleep is sweetest."

Mishima knew his western authors, and while one can detect the psychological realism of Freud, Gide and

Hemingway in what he writes, he adds to this the super-sensory tradition of Japanese art, in which events in dreams and in the natural world - a stork taking flight, an insect on a leaf - can mysteriously prefigure the deepest human emotions. But unlike the western novel of this century, concerned with individuals' private lives, Mishima interweaves national parable and personal passion in an immensely subtle way.

Set in 1911, the novel opens with Kiyoko's recollection of the Russo-Japanese war of 1904, and in particular of one haunting photograph of thousands of soldiers standing bowed and silent around a temple dedicated to the war-dead. Japan's defeat of Russia - its one moment of glory this century - is past; its collapse into political ignominy and military defeat in the second world war is yet to come.

With the benefit of our knowledge, therefore, of a nation moving inexorably to its doom, the novel's hero conducts an illicit affair with a princess who is betrothed to the Emperor's great-nephew. A feeling of guilty desecration pervades their love, and yet the elder generation who sit in judgment on them seem ever more unworthy and cynical about the traditional Japanese values which they ostensibly uphold.

One of the strengths of the book is the way Mishima constantly cuts between these different perspectives. We never forget, for instance, that we are witnessing the romantic feelings of two 18-year-olds in love for the first time. Should we dismiss it as such, or, in so doing, do we thereby judge ourselves? Perhaps the funniest moment comes when Kiyoko, who has got Satoko pregnant, receives a dressing-down from his father. Kiyoko's grandmother is the closest connection the family has with its samurai past, although she is now largely an embarrassment to Kiyoko's "modern" liberal father. But her reaction to the family's disgrace takes everyone by surprise.

"Getting the betrothed of the Imperial Prince pregnant! Now there's an achievement! How many of these smirking lads nowadays are capable of anything like that? No doubt about it - Kiyoko's a true grandson of my husband's." Like another novel translated into English - Lampedusa's *The Leopard* - Mishima's work astonishes us by showing how much can still be achieved by the traditional novel in the late 20th-century century. Intelligent, passionate, and, ultimately, profoundly moving, *Spring Snow* deserves a place on every book-shelf.



"There is a strange beauty in Death's singular reliability as a keeper of secrets," writes Dan Koontz in "Beautiful Death: Art of the Cemetery" (Penguin £29), a collection of photographs by David Robinson. Pictured, a child's grave in Genoa.

For the good of all

Unequal distribution of wealth and power is society's most serious problem; but the author remains optimistic, writes A.C. Grayling

Plato was neither the first to describe The Good Society, nor the first to do so in impracticable, because Utopian, terms. John Kenneth Galbraith, America's liberal capitalist for half a century and the tutelary spirit of the Kennedy and Johnson administrations, has seen enough to eschew Utopianism. "This book," he commences, "tells of the good society that is the achievable society."

Two claims underlie Galbraith's argument. One is that economic and social change is driven not by ideology but by history. The other is that the great divide in our times is between rich and poor, not capital and labour. Understanding this, he says, helps one see practical ways of constructing a society good not just for the fortunate, but for all.

The argument for the first claim is that although conservatives attribute the growth of government to liberal policies (America's "liberalism" is Europe's "socialism"), that growth has in fact been driven by historical necessity.

In rural economies unemployment is always low, and consumers need little protection where products are few and simple. Urban industrial society is different. It breeds unemployment; and its technological developments prompt new needs, such as consumer protection and medical insurance. Foreign and military affairs increase in importance. All this

in government. History thus dictates: attempts to construct a good society must accept its sovereignty. The claim about the new divide is equally significant. Ownership and control of capital now diverge, the latter resting with corporate bureaucracies. Political power is no longer the prerogative of capital; many others, for example the professional classes, have their say. In seeking economic policies that ensure the provision of goods and services in a socially acceptable manner, these facts must be faced.

The market works well, Galbraith says, but has limitations. It is short-termist, and takes little responsibility for the environmental damage and the social ills (such as unemployment) it causes.

Therefore government intervention is necessary. This is especially true for long-term investment in infrastructure, education, health, and development. Some of the world's most successful economies, such as Japan, illustrate the virtue of public activity complementing the market.

For Galbraith the key is opportunity. The economy works for everyone when everyone has a chance to participate. This happens in periods of steady growth and maximal employment. The alternative is crime and disorder; it is in poor countries, Galbraith points out, that

etary policy is invariably successful: tax cuts might leave money in pockets, which people choose not to spend; and demand is insensitive to interest rate levels. The best method, says Galbraith, is to reduce unemployment by increasing government deficit. This, intelligently handled, stimulates earnings and tax receipts, and adds to public wealth by improving infrastructure, which generates further wealth in future.

The fear here is inflation. Many, says Galbraith, secretly prefer stagnation - which means price stability. The trade off lies between unemployment and inflation; the rich, who control the economy, are worse affected by the latter, so they prefer

Galbraith says the good society - where everyone has a chance, with equitable distribution of goods and services - should prefer employment, and must therefore accept measures to combat inflation, such as wage restraint and fixed-income indexing.

For Galbraith the unequal distribution of wealth and power is society's most serious problem. We cannot expect equality, but can aim at fairness.

The market distributes wealth in highly inequitable and damaging ways, often with no social justification. For example: corporate bureaucrats set their own pay at inflated levels, guided only by what other bureaucrats do. So in addition to stockholder and public disapproval, society should intervene, by removing tax breaks and (re)introducing progressive taxation. The claim that this is a disincentive is false, Galbraith argues; America's most flourishing economic period - after 1945 - had its highest-ever marginal taxes.

There is much more in this sparsely written, eloquent, humane book: about the importance of education, international peace, the need to restrain military establishments, and the need for compassion towards the world's poor. Its agenda is familiar: many will dispute Galbraith's claim that it is realistic. But it is good to have the argument so well - and in parts so persuasively -

A gush of syrup

Clement Crisp on the memoirs of a relentless friend-gatherer

There is no point in heating about the bush: Fleur Cowles knows that Fleur Cowles is a wonderful and exciting person, quite possibly "a lovely human being" (as she describes Margot Fonteyn), and one who has been thanked "for probably having influenced British policy". She has also been honoured "in unique ways" by the University of Texas where "my private study has been exactly reproduced... (and when I walk inside I am still stunned) and teaching and lectures go on inside it."

For the 364 sticky pages of *She Made Friends And Kept Them* Cowles offers gush. She gushes about herself, about her homes - in London ("Albany is one of the most coveted addresses in London, some are pretensions enough to say in the world"; and how thankful we must be that pretentiousness is not one of her failings), in Sussex ("the flower-laden charm of a small Elizabethan manor-house") and the castle in Spain ("our historic home"), and, quick as a flash - "writing of Spain reminds me of one of the favourite Spanish pastimes, hull-fighting".

She gushes much more about her friends, who are many, varied, and all of them "names". Kings, presidents, the Pope, the Dalai Lama, Mother Teresa, actors, and the *tutti quanti* of gossip columns are coated in the syrup of Cowles's prose as if she were making toffee apples. After a few pages of these annals of social bliss I felt in urgent need of a vacuum cleaner to clear up the litter of names that had fallen on the carpet of my own gracious home, though alas, unlike Cowles, I do not think of it as "a Roman forum".

This memoir of a relentless friend-gatherer is *Who's Who* with logorrhoea, an incontinent *Field* magazine, so undimmed by the flow of chit-chat about the great, the good, and those whose distinction is to be caught up in the whiff and wind of Cowles's triumphant progress as a collector of people of whom people have heard. It is irresistibly reminiscent of *Lucia in London* in its grim determination that no social lion shall be untamed, though Mrs Cowles outdoes Mrs Lucas at every turn. Told that any 200 words were an entry for a *Drop that Name* competition, you might think it a trifle overdone, but such phrases as "I gave Elizabeth Esteve-Coll my personal sympathy" (she never asked for it), and (of the Pope) "he was swept out of the room, but not before the indiscreet, hopelessly impulsive hug that I gave that wonderful man", are the stuff of prizes.

There used to be a fashion for memoirs by vastly garrulous figures - ancient peers; decrepit clubmen; bores armed with rod and gun in the Hindu Kush - which burdened the shelves of second-hand bookshops in my youth. ("Your Highness" I said to the dear Grand Duke, "these are family emeralds..."; "Speaking of Disraeli, reminds me that..."; "The next night we were out at moon-rise, well camouflaged..."). Fleur Cowles is a dizzying member of the breed. She has undoubtedly had a varied and intriguing life. She has been everywhere, on mis-

sions or trips ("I was in Tehran on my second visit as a guest of the Shah, but also on a confidential mission for President Eisenhower"). She has met them all: her chapter headings include Women Achievers, Memorable Gentlemen, Saints and Sinners, Heads of State, Power-Hungry Women, Galkins (Male and Female), and The Royal World. "The Queen Mother offers Cowles an English tea. "The traditional kind? I want to share that with you", and the doors to the dining room open to reveal "a large round table set out with a gold samovar" and the repast (surely it was a repast) "sitting on beautiful lace and served on elegant porcelain and silver, enhanced by a glorious display of flowers". Ah, High Life at its best and truest! Her literary style is, alas, always this platitudinous

SHE MADE FRIENDS AND KEPT THEM
by Fleur Cowles
HarperCollins £20, 416 pages

news-speak of the "gracious home", "lovely person" type, where rooms fill with "humour and wit or meaningful conversation" and we learn that "wars cost money". Reading this laundrette of the notable is like being in the company of a particularly anxious arrivist. (Obligingly, Cowles will at times identify a peer for us by the pretty touch of she were making toffee apples. After a few pages of these annals of social bliss I felt in urgent need of a vacuum cleaner to clear up the litter of names that had fallen on the carpet of my own gracious home, though alas, unlike Cowles, I do not think of it as "a Roman forum".)

There are also a few suspicious cracks in the text: I like Fonteyn being called a ballerina *obsoleta*, but I do not believe in "the great leap to the stage" which marked Nureyev's first appearance at Covent Garden and "left the audience gasping". (His entry as Albrecht in *Giselle* was properly muted.) Elsewhere, the cast - a seating horde worthy of D.W. Griffith - are neatly identified, as if Cowles were addressing a Mid-West woman's club on "Famous People I Have Met". Evita Peron is fixed for us as "the blonde, rabble-rousing Argentinian". Jean Monnet is "truly unforgettable", and even Cecil Beaton is qualified as "chic". It is all very, very wonderful indeed, and it has been a true privilege to pass so much time in such august company. And just think - Luciano Pavarotti and Placido Domingo learned quickly and gallantly how to bring opera show biz to the "masses" - not only by their visceral performances on stage but with recordings galore. Who could have guessed that little artistic secret.

The final chapter in the volume is called "The Perils of Friendship". I now have an inkling of what this means.

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BOOKS

Evolution of a new 'priesthood'

From Pythagoras onwards, Ann Geneva follows the emergence of the modern scientist

If modernism was invented in 1910 as Virginia Woolf suggested, then science surfaced 300 years earlier in or around 1610, when Galileo Galilei trained his telescope on the sun and observed it had spots. Steven Shapin takes this event as the starting point for his ambitious attempt to reduce the morass known as the scientific revolution to something like coherence. In recent years the quarrels and quibbles over the nature of this seismic upheaval in the way we view the world have been equalled only by the furours over the English revolution in the same period. The questions asked have ranged from basic - was it a revolution? What do we mean by science? - to abstruse. Shapin regulates his discussion

of the paradigm shift from an Aristotelian universe to a mechanical one with that favouring its 17th-century mechanism, the clock. He cites Kepler's conversion in 1606 from the notion that the springs of planetary motion were in its soul to the conviction that the machine of the universe is similar to the workings of a clock, an analogy set upon by many at the time. Indeed Shapin suggests that to follow the clock metaphor for nature throughout the culture of early modern Europe is to trace the main con-

tours of the new mechanical philosophy. This world view, by dispatching any idea of the universe as divinely informed and ultimately mysterious, provided observers with the intellectual self-confidence to uncover its truths by combining the evidence of their senses with mathematics. Although the Pythagoreans had long ago reduced every known element to number, they also quantified abstractions such as honour and even marriage. Aristotle had insisted upon two

THE SCIENTIFIC REVOLUTION
by Steven Shapin
University of Chicago £16.99, 211 pages

separate spheres, the heavenly and the earthly, which even necessitated separate motions - circular and rectilinear - unique to each. The two began to coalesce with Boyle's and Galileo's experiments, culminating in Newton's insistence on a univer-

sal law of gravity. Rather ironically this last was considered by some at the time as too animistic. As Shapin notes, Leibniz for example accused Newton of abusing the "prestige" of mathematics to reintroduce occult principles to a mechanical universe. It is always tempting when dealing with this period to focus almost exclusively on astronomy, where the shift from an earth centred to a heliocentric universe is clear cut and dramatic. This approach even affords a kind of morality play with white-hatted

heroes (Copernicus, Kepler, Galileo) fighting literally black-hatted baddies (mainly assorted cardinals and popes), beloved by instructors and students alike. Shapin draws examples from more disciplines than most of us who have taught the subject manage to do, connecting scientific events with European politics, culture and religion. At his best he combines an impressive array of current scholarship with an ability to formulate basic questions. On balance, however, he lacks the common touch nec-

essary to communicate clearly without over-simplifying. How many undergraduates would fall to be daunted by such phrases as "these teleological and animistic features of the traditional physics of motion"? What remains clear is that something irreversible did happen during this period, and it is telling that everyone seems to have been aware of it was somehow "new". Collectively these natural philosophers elevated the Book of Nature to an equal status with the Book of Scripture, leaving it only a matter of time before nature would supersede revelation and the new high priesthood of the modern scientist would be created. Even at the time, Boyle deemed these new scientists "the priests of nature".



An evocative combination of the technical with the aesthetic: Kylescu Bridge across Caolais Camhann, north-west Scotland, designed by Ove Arup and Partners. Pictured in "Bridges: Three Thousand Years of Defying Nature" by David J. Brown (Mitchell Beazley, £19.99)

The playwright who waited for fame

It took Beckett a long time to become Beckett, writes Alastair Macaulay

In 1969, Samuel Beckett - author of *Waiting for Godot* (1953), other plays and several novels - was awarded the Nobel Prize for Literature. Among the many communique he received was a card from an authentic Monsieur Georges Godot. M. Godot wrote to say how sorry he was to have kept Beckett waiting for so long. Beckett, tickled pink, replied. Not at all, he said; thank you for revealing yourself so promptly. Godot was the play that made Beckett, 46-years-old at the time of its stage premiere, famous. He lived another 36 years, and went on to write greater and more audacious plays. (*Endgame*, *Krapp's Last Tape*, *Happy Days*, *Footfalls*, and more.) And yet *Godot* occurs well over halfway through both the new Beckett biographies. Even *Wait* - the novel with which he perhaps first attained stylistic maturity, and most of which he wrote in 1943 - occurs just over halfway through Anthony Cronin's biography, and

nearly halfway through James Knowlson's. In other words, it took Beckett a long time to become Beckett. Ireland made him; France was the climate he needed; and the war, it seems, defined him. Becoming Beckett involved years of Protestant upbringing, of academic work, of mastering several languages, of immersion in the work and circle of James Joyce, of ill health and mental distress, of psychoanalysis, of heavy drinking, of unrequited love and various part-sexual affairs, of intense absorption in classical music and painting, and of work in the French Resistance. Certainly it involved leaving Ireland. He nearly became one of the many, too many, Irish writers who never fulfilled their promise. Years later, Martin Esslin asked him why he lived in Paris and if he had anything against Ireland. "Oh no. I'm a fervent patriot and

republican," Beckett replied. "Well, asked Esslin, "why do you live in Paris then?" Beckett's answer was "Well, you know, if I were in Dublin I would just be sitting around in a pub." This anecdote occurs in Cronin's biography, and, of the two biographers, Cronin is the more authoritative on the Irish context. The society and politics and academe of Dublin are keenly alive in his text. Cronin is, in manner, anyway the more authoritative of the two biographers. He is prepared to stir up several important questions; for example, he rakes up several ambiguous pieces of evidence over the years that may perhaps suggest Beckett sometimes entertained homosexual feelings for a few of his male friends. He knows his work well, and has done a great quantity of research, supported by long acquaintance with several key figures in Beckett's own circle. And he is the more fluent

writer; the reader relaxes in his hands. Knowlson's biography, however, is a masterpiece of painstaking research, and is based on a dazzling degree of intimate acquaintance with Beckett's work. Sure, Cronin has discovered a few things that Knowlson has not; but the reverse is true much more often. (Knowlson's is, indeed, so thorough that I wish for his sake he had waited for Cronin's book to appear, so that

he could incorporate and assess its new findings.) Not only is his main text followed by 125 pages of notes in small print, many of them are worth reading. As Knowlson knows, his discovery of Beckett's hitherto unknown German diaries (1936-7) are a particular revelation of Beckett's views on painting, politics, society. But what clinches their significance here is Knowlson's alertness to the significance of the least detail. And he has interviewed virtually everybody, bringing many important new clues to the light. I admire Knowlson's immense wealth of details (the *Godot* comic-strip story is his) - some of which open up vast areas beyond Beckett studies. For example, he mentions in passing that the London impresario Donald Albery, while wondering whether he should present the British and English-language premiere of *Godot* in the West End, invited

two of his best friends to read it and advise him. Both of them urged him to go ahead. One was the young actress Dorothy Tutin; the other - this is simply astonishing - was the ballerina Margot Fonteyn. This raises all kinds of questions about Fonteyn's literacy and her interest in the avant-garde for the author now preparing her biography. Knowlson urges us from the first to understand that Beckett was by no means the "miserabilist" that his reputation has made him out to be. (Cronin is not so sure.) There is no denying Beckett's many bouts of depression, his need for privacy and solitude, and the bleakness of much of his work. And yet the work not only has its gallows humour, it has also a deep value for humanity, even (or especially) in its most grim condition. From that value for humanity arise rich fragments of lyricism, poetry, ambiguity.

This year alone, the Donmar Warehouse *Endgame* and the Almeida/Dublin Gate *Happy Days* have sent many of us out into the street in a rare state of joy; a joy the truer because we have been made to address, head on, the irretrievable and terminal states of the characters onstage. Both biographies show the loyalties, the tendernesses, the affairs, the friendships that sustained Beckett, that were part of his essence, and that are refracted in his work. A newspaper review, alas, is not the place in which to discuss the numerous minutiae (very occasionally conflicting) in which both Cronin and Knowlson reveal their subject. Either book is a major addition to our understanding of Beckett. Cronin's intelligent and probing book is the easier for the general reader - but Knowlson's manages, by means of its quiet objectivity, to turn the casual reader into a very well-informed Beckett specialist.

DAMNED TO FAME - THE LIFE OF SAMUEL BECKETT
by James Knowlson
Bloomsbury £25, 896 pages

SAMUEL BECKETT - THE LAST MODERNIST
by Anthony Cronin
HarperCollins £25, 645 pages

Prime minister who blew it

Anthony Eden was - among other things - the movie star of British politics, the most handsome and best-dressed politician of his era. One of the kinder nicknames applied to him was Robert Taylor; there was also Miss England. Eden has had at least nine lives in the English language so far and more are planned. Here, possibly the 10th, is one of the most enjoyable. The reason, as David Dutton

has been more critical of Eden even when his reputation was at its height. As foreign secretary in the late 1930s, he seemed to be one of the arch anti-aposters. Dutton shows that by and large Eden's approach was not out of line with the Conservative government to which he belonged. He disliked Mussolini, thought that it might be possible to do a deal with Germany, and believed that Britain needed more time to re-arm. There was no compelling reason for him to resign in 1938 - and no single explanation for his action - yet when he did his reputation soared. He had a habit of being in the right place in the public mind at the right time. Eden, though he could maintain personal loyalty, did not greatly like working under the shadow of other people. He was charming in public, but irascible in private. Dutton quotes a line about him: "Eden lives in a land inhabited by superiors and inferiors. He acknowledges no equals." That explains a lot. Eden suffered from the Prince of Wales syndrome: he was prime minister-in-waiting too long before taking over. When he did, he blew it. Dutton is surprisingly kind about this later period. He thinks that Eden, for all his lack of experience, might have developed on the domestic front and been a more astute prime minister



Anthony Eden, the movie star of British politics

economically than Harold Macmillan who succeeded him. So much has been written on Suez itself that there is little more to be said, except to note that while it was a catastrophe for Eden, the long term effects on Britain were not quite as disastrous as might have been expected. The biggest single consequence of Suez was the rise of Israel as a military power - with a reputation to keep up. Dutton thinks that by now it is possible to argue that the Suez venture checked a drift towards Soviet expansion in the Middle East. Egypt is a remarkably forgiving country. On Europe Dutton quotes the title of Eden's memoirs to suggest that "the final verdict of history may yet turn 'full circle' in his direction. Eden was against any form of British involve-

ment in European integration. The only defence, given extensively here, is that so was almost everyone else engaged in British foreign policy at the time. Yet Eden was a professional foreign secretary who claimed to know Europe inside out. Not to recognise the Franco-German drive for ever closer union - and to believe that Britain could stop it even if took off - was a blunder worse than Suez, and with consequences that remain. Still, it is an amusing thought that the old Eden put the views of the modern Eurosceptics. Dutton notes that Eden never really liked the Conservative Party. Neither, one suspects in present circumstances, does John Major. Another full circle.

Malcolm Ruthvenford

Politics of racialism

Brian Cheyette on why arbitrary stereotyping is dangerous

Are Jews cleverer than the rest of mankind? One need only think of Einstein, Freud and Karl Marx to appreciate the appeal of the "Jewish genius". Some, such as George Steiner, relish this potent image. The large proportion of Jewish chess grandmasters, or Nobel Prize winners, or musical child prodigies, seems to be unanswerable. For Steiner, Jews are inherently intellectual and defined by their Talmudic heritage. Sander Gilman, on the other hand, has written *Smart Jews* so as to challenge these easy assumptions.

This readable book - which began life as a set of lectures - might be dismissed as being over-sensitive or politically correct. After all, it is rather flatterring for a group to be thought of as the brains of the world. (There are worse theories especially about Jews.) And a reputation for being "smart" or intelligent is often an advantage. But even laudatory stereotypes, as Gilman convincingly shows, can be damaging. The mythic "smart Jew", he argues, confirms the dangerous link between race and intelligence. If Jews are genetically intelligent then nature triumphs over nurture. More disturbing still, immigrant groups are per-

SMART JEWS
by Sander Gilman
University of Nebraska Press
£21.95, 246 pages

unchangeable and thus a threat. According to Gilman, popular prejudice still regards Irish, Italians and Afro-Caribbeans as physically adept, but largely stupid, whereas Jews and Asians are clever but weak. These racial categories seemed to have died out by the 1980s. Hans Eysenck was rightly criticised in Britain in the 1960s and '70s for suggesting that some ethnic minorities are poor at IQ tests. But this controversy has recently made a comeback in the best-selling *The Bell Curve* (1994), by Richard Herrnstein and Charles Murray. Gilman's study refers throughout to *The Bell Curve* as it once again reduces intelligence to biology. The normal contra of the "bell curve" is represented by the average American Joe. There are, unsurprisingly, two notable deviations from the norm. Black Americans are at the lowest end of the curve. At the upper end of the curve are American Jews who "tested higher than any other ethnic group". Such are the commonplace racial images of extraordinary physicality and extreme

The Bell Curve, as Gilman notes, made a considerable impact on the American right. Herrnstein and Murray implicitly argued that social problems and academic prowess are genetically programmed. Neo-conservatives concluded from this that there was nothing which the state could do to alleviate poverty or enhance the educational system. Criminality and under-achievement are, in these terms, rendered beyond the relief of financial help. Gilman's historical perspective is useful because it shows just how arbitrary these stereotypes are. Once upon a time it was the Irish who were regarded as the abiding criminal underclass. Poor Jewish immigrants from eastern Europe were also once seen to be natural delinquents. For this reason, different migrant groups have always been the anxious subject of intelligence testing. What *Smart Jews* confirms is that "intelligence" is far from a neutral term. In the case of European Jewry, "Jewish genius" was always tainted. Gilman traces a number of individuals from *fin-de-siècle* Vienna - such as Freud and Wittgenstein - whose Jewishness made them question the value of their own intellect. Cleverness could also mean craftiness and genius might equal madness. Jewish intellectu-

they could ever be truly original. They were, after all, meant to have descended from a "parasitic" people. The last and best chapter of *Smart Jews* brings its argument up to date. The "smart Jew" is shown to persist in popular films such as *Schindler's List* and *Quiz Show*. In *Schindler's List* the figure of Stern embodied the limits of the amoral Jewish mind which needed the practicality and virtue of Oskar Schindler. Jewish genius in *Quiz Show* is again interchangeable with madness. The contemporary Jewish success story in America is too often seen as the result of a unique gene pool from a mythic Talmudic past. But, as is demonstrated, the aimless slaughter of European Jewry precludes such misguided race-thinking. Hojding Jews up as a superior immigrant group, as Gilman maintains, implies a dangerously false homogeneity. Worse still, it enables the politics of race to be reinvented for the next century.

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COLLECTING

Objects to amuse in the festive season

Susan Moore finds items to intrigue, from champagne jugs to silver paper knives

My magpie sorties into the antique shops this season have turned up a number of more or less utilitarian objects likely to confound any quizzer. Whether they would amuse or appal them is another matter. Prices range from £10 to £7,000, ages from three years upwards.

For the wine buff who can hear serious money being spent on something other than replenishing the cellar, Norman Adams (8 Hans Place, London SW3) could supply a handsome George II brass-bound, mahogany wine-cooler for just two bottles. It is in unusually good condition and costs a sobering £7,000.

This upright, oval type allows ice to be packed between the outer lead liner and the two zinc inner liners, and is infinitely more practical than the usual open, wavy-lipped sort that are now mostly used as jardinières. The wine is evenly chilled, and the labels do not drop off.

Once the festive champagne is chilled, how about pouring it from one of Cobh Antiques large, early Victorian crystal champagne jugs sprinkled with engraved

stars, their sides applied with ribbon trails? (38D High Street, Wimbleton Village, £900).

For more intimate celebrations there is always a Victorian champagne tap to plunge through the cork and keep in the bubbles. The Christopher Sykes Gallery of Woburn offers them for £60-£70, along with every imaginable kind of period corkscrew. There are pleasing pre-1880 examples with turned rosewood handles fitted with a dusting brush (£35-£49) or kitsch novelty pieces like the dachshund with corkscrew tail or the cat with the arched back. (For a £7 catalogue of about 600 fully illustrated pieces, phone 01825-290258.)

Just the thing to accom-

pany post-prandial conversation, port and cigars are an extraordinary silver-mounted cigar lighter at Mallett at Bourdon House (2 Davies Street, London W1) made of lber horn, £2,600. Well over 1ft long it has definite table presence. The horn ends with one of those spherical glass spirit lamps used in the coffee filters of my childhood, and still encountered at The Elizabeth in Oxford. The silver mounts bear the marks of Chester, 1913.

The same firm also has a tall, elegant, silver-mounted magnum claret jug, £2,800. The conical glass jug is engraved, the silver mark Birmingham 1893. I found two other notable claret jugs.

The Country Seat (Hintercombe Manor Barn, Henley-on-Thames) offers a modernist classic, designed by Christopher Dresser and made by Elkington, again silver-mounted, £1,950. Unusually pretty is a small, lobed glass jug fitted with lotus-leaf mounts, 1881, £2,500, at Tessier's (26 New

Bond Street, London W1). Tessier's 1861 premises are perhaps the most charming in London, and just walking through their portals is a pleasure.

Mirror-backed mahogany showcases gleam with polished silver. You might be tempted to part with £3,250 for an Elizabethan silver goblet, made in East Anglia around 1580. They also offer seasonal nutcrackers and picks (£775) and grape scissors (£2,900). Most satisfying of all to handle is the pair of small, silver scallop-shaped butter dishes, their feet in the form of conch shells. William Bateman, 1837, £3,950.

For me, Christmas shopping is inconceivable without a stop at perhaps my favourite antique dealers, Ella Grahame (97C Kensington Church Street, London W8) - not least because by

long tradition there is a Christmas window of small presents for under £45.

In the past I have picked up the likes of a Regency needle case in the shape of a high-heeled shoe, and a silk-lined Georgian leather cuff-link box. I scored top marks for a grandiose piece of ormolu that was really a palm-sized sculpture.

This type of stocking filler can be more interesting than socks or CDs.

This is also the place this Christmas to find tortoiseshell knitting needles, or an unused Edwardian silk square from a old haberdasher's (from £10). Too late for the toy bagpipes, I scooped up a rather surprised looking Art Deco horn pipe whose underside is fitted with a bottle opener and an early Victorian abacus.

Less costly pieces range from a handsome mahogany postman's box (£230) for a Georgian front door to a country-house kitchen copper stand, £75. Regency scanthus leaf picture rail hooks are on offer for £57.50 for 13 and a pair of 18th century steel ember tongs at £75. A set of six Regency champagne flutes costs around £280.

Individual glasses for favourite tipples make welcome gifts, tumblers engraved with appropriate sporting motifs perhaps or feminine, early 19th century, gilded Bohemian pieces. Cobh Antiques, the largest general glass dealers in the country, has examples of every type of glass you could imagine, from decanters to scent bottles and hyacinth vases in various rainbow colours (from £79). I prefer to plant mine in large, cracked 17th or 18th century Chinese porcelain bowls or chargers which, because of their imperfection, can cost under £100.

For serious-minded men of letters, Norman Adams has a Regency rosewood book-stand with a pierced brass arched surround, £1,000. Mallett at Bourdon House has a Regency ivory paper knife in the form of a Roman sword (£1,100), and most silver dealers have Georgian skewers that have been flattened to make stylish silver paper knives.

For the more flamboyant, how about a Carlo Bugatti walnut writing chair in the Moorish taste, inlaid in ivory, pewter and copper, from The Country Seat, £1,950. Thespians might prefer a pair of late 19th cen-



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ARTS

In the steps of Balanchine

William Deresiewicz hails the New York visit of Seattle's vibrant ballet company

The visit last month of Seattle's Pacific Northwest Ballet was the dance event of the season in New York. What a seismic shift that little fact encodes. This has not been possible to say about an out-of-town company in nearly 50 years, and never before about a domestic one. It is only possible to say it now because of the catastrophic decline of New York City Ballet which, under George Balanchine, was the flagship of innovation in post-war classical world.

Balanchine's death in 1983 threw into doubt not only the survival of an extraordinarily distinguished body of work, but the extension of his neo-classical project as the major direction in contemporary ballet.

More than any other choreographer, Balanchine made

classicism modern. Classicism in dance means the expressivity of form as opposed to performer - of shape, energy, and rhythm rather than of emotiveness or histrionics.

Balanchine made dancers move faster, bigger, and at more extravagant angles, yet also more precisely, than anyone had before. Keeping a company of 50 or 100 performers up to level requires enormous care, integrity, and expertise - instead of which NYCB has given us nepotism, laziness and the kind of petty jealousy which has excluded many of Balanchine's greatest dancers from their

natural roles as mentors and coaches.

PNB has gone about things differently. Since assuming joint directorship in 1977, NYCB alumni Kent Stowell and Franca Russell have painstakingly brought the company to the point where it now dances Balanchine better than anyone else in the world, with the possible exception of Edward Villella's Miami City Ballet.

The company style is magnificently vibrant and proud. The carriage is easy yet taut with energy, the gaze lifted and alert. Hips are square and mid-sections strong, making for

great purity of shape and directness of attack. Phrasing is meticulously sharp. Most lovely are the PNB arms: radiant, full, exquisitely modelled.

PNB's corps de ballet is an exceptionally well-rehearsed, coherent unit, the bedrock of every work in which it appears. And partnering, that dying art of gallantry and mechanics, thrives at PNB even among those men not physically suited for cavalier roles. In all, a consummately finished company, handsome to its fingertips, elegant without a hint of fuss.

Repertory for the New York season featured the Balanchine/

Mozart *Divertimento No. 15*. With five ballerina roles, the work offers itself as a gem-case to the rare company with sufficient wealth to display. PNB's first cast scintillated from start to finish.

I was particularly struck by Linette Hitchins, a refined beauty with long, slender legs and impeccable placement. Hitchins handled the devilishly difficult things of the first variation with great poise, speeding from pose to pose with unflinching clarity and charm.

At the top of the company stand Patricia Barker and

Jeffrey Stanton. Barker - flawless, imperious, majestically proportioned - ranks as one of the world's half-dozen true ballerinas. In the *Agon pas de deux*, a terpsichorean high-wire act that is the most brilliant six minutes in the Balanchine corpus, she sustained an extreme physical tension that brought out the full sexual authority of the muse-lover role. As her partner, only a classicist of Stanton's magnitude could have survived without melting.

After dancing the master's ballets properly, the second challenge facing a post-Balanchine company is the

creation of work that realises his neo-classical vision. Here too, PNB acquits itself well. Its contemporary repertory is by far the most interesting among the major companies, at once tasteful, eclectic, and marked by a willingness to trust audiences to reach for difficult material.

Stowell's choreography, to judge by the works shown here, is consistently well-crafted and attractive, though no more than that. More compelling was Mark Dendy's *Symmetries*. Impishly imaginative and confidently epic in scale, the work is also a meditation on classicism itself.

Of course, neither Dendy nor anyone else yet known is Balanchine's true successor, but if and when that much-hoped-for figure arrives, he or she will do no better than to head for Seattle, where fertile ground awaits.

Realism rather than surrealism

Richard McClure reviews the American photography exhibition at the V&A

Some people might consider it myopic folly to mount a major television history of American visual culture with barely a passing reference to the role of photography. Not, it would seem, Robert Hughes. The Australian critic's *American Visions* is an absorbing appraisal of his adopted country's art. A pity then that his self-declared "love letter" relegates photography to a postscript.

The omission is all the more irksome, coinciding as it does with *American Photography 1839-1965*, a striking reminder of the medium's achievements at the Victoria & Albert Museum. Selected from more than 20,000 images held in the archives of the Museum of Modern Art in New York, it is a rich and comprehensive survey, filled with such familiar pleasures as Ansel Adams landscapes and Diane Arbus's portraits.

Admittedly, the show is not without shortcomings. There is a timidity about early-20th century US photography which contrasts sharply with the artistic ferment across the Atlantic. While Europe embraced the avant-garde, American pictorialists such as Clarence White were still striving to replicate the expressive grandeur of traditional fine art. Compared with the experimental impulse of their European counterparts, these efforts to emulate Turner or Constable seem like fossils from a distant age.

Indeed, there is nothing to rival the radical verve of Dada photomontages between the wars, no equivalents of the dazzling abstractions of the Bauhaus photographers who dispensed with the camera altogether onto light-sensitive paper. As in its politics, the US remained untouched by European concerns, a photographic isolationism reflected in the absence of Man Ray, a native of Philadelphia who is excluded from the exhibition on the grounds that his Surrealist excursions into solari-

zation and rayographs were produced in Paris.

That is not to suggest American photography has lacked invention. It is present, albeit belatedly, in the Beakwink wanderings of Robert Frank and the knowing lens of Walker Evans, whose obsession with billboards, movie posters and other ephemera of US culture pre-dates Pop Art by 30 years. Evans defined his life's interest as a fascination with "man's work and the civilization he has built," a tenet which resounds through the whole exhibition.

Unlike the Bauhaus, which viewed photographers as "manipulators of light", Americans have largely seen their role as documenting life. Preoccupied with the immediacy of the public domain, they mapped the daily grind of the sidewalk or shack. The Berenice Abbot image on the cover of the exhibition catalogue is typical: a Greenwich Village baker carries a basket of loaves to feed the masses during the Depression.

Elsewhere, the themes of toil and resilience are repeated in different forms and different decades. We see lumberjacks drinking at a Minnesota bar and impoverished migrant workers in California. Even unpeopled photographs are often studies of a hostile human environment: murder headlines in tabloid newspapers, the dismal anonymity of empty hotel rooms.

The exhibition's bias towards the street scene is partly explained by the Museum of Modern Art's long-held preference for reportage. Its photography department, established in 1940, soon abandoned its initial high art sympathies in favour of the more populist approach of Edward Steichen. During his 15-year tenure as director, Steichen curated Moma's most famous exhibition, *The Family of Man* (1955), which he created in the "passionate



'Steamfitter' by Lewis W. Hine, 1920: toil and resilience are a recurring theme

spirit of devoted love and faith in man". As a deliberate attempt to broaden photography's appeal, the show was hugely successful, though many despair at its mawkish pictures of childbirth, kissing lovers and photogenic peasants.

Such excessive sentiment is not evident here. Rather, the work is profoundly humane, frequently stemming from the social concerns of the day. Lewis Hine's compassionate 1910 portraits "Coalbreakers, Pennsylvania", was instrumental in changing child labour laws; Charles Moore's 1963 depiction of an Alabama riot is a plea for civil rights. With photographers often banding together in reform-

ist groups, many of the exhibits demonstrate the same moral values as *Life* photojournalist Gens Smith "to right what is wrong".

The images in *American Photography* have been divided into related groups and curator Peter Galassi makes much of the schism between the vernacular and aesthetic traditions. The argument is not wholly convincing. Realism and abstraction have never been completely divorced in the US camera world and many prints on display straddle these genres. In his 1930s studies of a pepper and sand dune, Edward Weston explores each object's quintessence by taking its form

and texture to the edge of abstraction, yet never losing sight of a tangible reality.

Even those who used photography to embark on spiritual contemplation could not resist the lure of the material world. Aaron Siskind was in close association with the Abstract Expressionist painters, yet he was equally at home recording the portery of Harlem. His mesmeric works, "Chicago" (1944) and "Gloucester" (1949), transform everyday, human objects - a concrete wall, a glove - into metaphors of strange and ambiguous beauty.

His like-minded contemporary, Minor White, recognised the reasons for their mutual reluctance to depart

from actuality when he explained, "These abstractions have not left the world of appearances: for to do so is to break with the camera's strongest point - its authenticity".

The exhibition halts, inexplicably, at 1965. But the fascination with the world of appearances persists to the present day. The current talk of New York is the Whitney's retrospective of the Nan Goldin, who has documented the turbulent lives of drag queens and her friends dying from AIDS. "I photograph people with a warm eye, not a cold eye," Goldin says in her exhibition catalogue. She could be speaking of an entire century of American photography.

Concerts in London Strange music for Blake

The South Bank played host last weekend to two modern composers who are at the opposite ends of almost any spectrum you might think of. The 55-year-old Sofia Gubaidulina is Russian (but born and raised in Tartar), "spiritual" in the intense Orthodox tradition, and determinedly original. The London Sinfonietta devoted a whole concert to her on Saturday. More about that later: Gubaidulina's music is featured at the Huddersfield Festival this weekend.

At 58, the Californian William Bolcom is blithely eclectic as ever, in ways which command grudging respect from most of the camps that he raids - period rag, ethnic pop, country-and-western, raw atonality (as distinct from the computerised kind), a different way of being original. On Sunday an expanded BBC Symphony with choruses, the Swingle Singers and eight excellent soloists assembled in the Festival Hall to deliver William Blake's complete *Songs of Innocence and of Experience* in Bolcom's setting.

Bolcom has nursed a long devotion to Blake. He composed the 46 numbers of the *SLE* between 1956 and 1981, a period which straddles his earlier, earnestly atonal music and his promiscuous later affairs with every idiom that tickles his fancy. That shows, nakedly; but Bolcom can (and does) retort that Blake's poems themselves represent a wild variety of styles, from stately folk-balladry, so any uniform musical setting would cramp and falsify them.

would be insufficient - nothing less than distinct styles of public address will do. Thus "The Shepherd" and "The Little Vagabond" went to a country-singer with naively basic guitar, "The Little Black Boy" and "The Little Boy Found" to an artful rock-singer, "The Chimney Sweeper" to a boy reciter, "The Lamb" and "Earth's Answer" to a free-floating soprano with a near-atonal line.

The chorus shouted "Tyger! Tyger!" pitilessly with menaces, against a fixed orchestral roar. For this finale, however, everybody swung lustily into "Cruelty has a Human Heart / And Jealousy a Human Face" over a slamming, irresistible reggae beat.

The whole cycle, almost three hours long, leaves a resounding impression, more through Bolcom's dedicated resolve to "make everything clear" than by any special art in fact very few of the numbers are set as "art-songs"; the composer sticks close to Blake's plain scanstion, eschewing extra interpretative touches. The non-tonal music, including most of the linking orchestral material, is less persuasive than any of Bolcom's zesty pastiches - some of which may prove haunting, after another hearing or two.

This unlikely work was well worth putting on, and Leonard Slatkin conducted it with panache. Unfortunately there were not nearly enough programme-books with all the poems, to go round; many people strained frustratedly to hear what was being sung.

Schiff and friends play Brahms

The pianist Andrés Schiff has organised another of his concert-series at the Wigmore Hall, which are always bright spots in the musical calendar. The current one is devoted to all of Brahms's chamber music with a piano in it, which excludes only the great Clarinet Quintet and the works for strings alone.

What remains is a rich haul, richer than many concert-goers will have discovered yet. It takes years to find all these Brahms pieces in live performances, because only his piano trios and his sonatas for violin and for cello fit easily into any standard recital-programme. To catch the piano quartets and even the op. 120 clarinet-or-violon sonatas you need to keep a sharp eye out, and the trios with clarinet and with horn are rare birds indeed.

Schiff has chosen to ignore the F minor Piano Quintet, no doubt because it is the well-known exception. Tuesday's instalment, however, comprised only more familiar works.

Schiff's partners are mostly old friends and colleagues - among them the Swiss clarinetist Elmar Schmid, whose playing in the F minor Sonata was so comfortably prosaic that one

was glad not to hear him in the missing Clarinet Quintet. For the early Piano Trio in B (as drastically revised 35 years later, to excellent purpose), Schiff was joined by Yuzko Shtokava's violin - musically, but thin-toned and reticent - and Boris Pergamenschikov's cello, alive with warmth, grand depths and fine dramatic sense.

As always, Schiff was a selflessly attentive partner. For my part, I (backed by nothing very significant) his pianism is rather too "cultivated", light-fingered and under-peddled for Brahms, who was a famously robust performer, but he grasps the sense of the music unerringly. For the E minor cello sonata he achieved a perfect balance - with the piano-lid fully open, which is preferable but always risky, especially in the Wigmore - against Miklos Perenyi's noble declamation in the cello role: classically elevated, plain, eloquent.

That was inspiring to hear, a living reminder of the very best European tradition. Perenyi can surely provide much more of that, if only the Wigmore will press him to come back soon.

David Murray

At first sight, Bruce Athol MacKinnon's set for *The Arthur's Play* *Dark Tales* suggests that we are in for a purely conventional thriller. We are in the sort of study where dire revelations generally take place.

A huge chandelier is suspended over an imposing armchair; the walls are paneled wood; brandy lurks on the sideboard to loosen the tongue. Here two refugees from a party game of hide and seek bump into one another and, when one tells the other of a haunting experience he had in the house, we look set for an evening of supernatural happenings, scary lighting effects and icy chills.

But Tim Arthur is more ambitious than that. His play is an attempt to tell a horror story while ironically discussing the genre at the same time. So it turns out that the two men in the study are both horror writers. One, Alex Crowther, is a has-been, a writer in the old school, who employs ghosts and ghouls and preys on people's fears of the supernatural. The other, Jack Langton, is a would-be author, an angry young man who thinks that horror fiction should be invented by the

Theatre Horror story goes wrong

terrors available in everyday life, preying on people's fears of murder and violence in their own home.

The two set about trying to outdo one another in telling dark tales. They compete, they collaborate; they get more and more out of control. So, as Arthur investigates the thrill of writing and reading horror stories about the validity of fiction, he gradually inches the play forward to the revelation of the violent truth about the two men.

It is a nice idea, but the trouble with the play is that the execution does not live up to its ambitious remit.

handled and grippingly told (enjoyably performed too) and appeal to you by catapulting you back to those evenings in childhood you spent scaring one another silly with ghost stories.

But in between the stories, the dialogue is pretty stilted and the plot far from believable. It would be unfair to give the ending away, but suffice to say that you see it coming for miles and even then it still doesn't convince or shock.

The characters are one-dimensional, despite the best efforts of Andrew Hall as an urbane and sinister Alex and Jamie Hinde as a restless and irascible Jack. Karen Louise Hasden, directing for the JFK Company, plays enjoyable games with hammy effects and at one point startles you out of your skin.

But overall, one cannot help feeling that the two characters, who spend much of the time criticising one another's abilities as storytellers, would give fairly short shrift to the piece they find themselves in.

Sarah Hemming
Continues at the Arts Theatre, London WC2 to January

Christy Moore comes on stage in Londonderry like a boxer, raising an arm, punching the air. A short, squat figure, he exudes power and energy. For nearly two hours he hammers out a succession of songs, stories and poems. He hreaks guitar strings, the sweat flows off him. He is superb.

Folk singer, raconteur and poet, Christy Moore is an icon of the Irish music scene, with a fan club stretching from Melbourne and Munich to Memphis. His rise to the top has not been easy. I first saw Moore perform at a small pub in County Clare 15 years ago. The air was thick with smoke, people were more interested in knocking back pints and chatting than in the music. The singer cut a sad figure as he tried to make himself heard.

"When I was 21 I'd travel around with my guitar, do me gig, rave all night, then sleep wherever I could," says Moore. He was also big on the booze. In the late 1980s came a near fatal heart attack. The life style changed. The approach now is much more professional. Moore has not touched a drop in years. Laughing at

Ballad of Christy Moore

drinking problems in "Delirium Tremens".

The show moves from fast to slow, from the comic to the sad. Someone shouts for an old favourite. "I save that one for the climax," says Moore. He has the audience in the cusp of his hand.

There were several songs from Moore's new album, *Graffiti Tongue*. Most are written and arranged by the singer. There is the beautifully whimsical "Strange Ways". Then "Yellow Triangle" a song about the identification methods used in the Nazi prisoner of war camps.

Some feel Moore has lost his edge and his anger, that his songs lack a political point. Yet clearly Moore, now in his 50's, is as passionate as ever. Half way through his performance he broke into a song about the murder, a few months ago,

Veronica Guerin. An Irish drug baron is believed to have ordered Ms Guerin's shooting. "You who took the phone call and you who took the message! And you who hired the hit man... and you who remain silent! You are guilty everyone".

Moore hammers his guitar and walks the stage like Groucho Marx on the run. A favourite target for his humour is the British. In "On the Mainland" he part sings, part talks of the night after a London concert. "I couldn't sleep a wink so I pulled on the BBC World Service... A lovely English man came on the wireless! And with a gorgeous, sweet, dulcet, Portland Place clipped tone! He announced that the winner of the 1995 Nobel prize for literature! Was a British poet, Seamus Heaney from Londonderry says he! Cool as cool could be."

The chance of an evening with Christy Moore should not be missed.

Kieran Cooke
The Rialto, Londonderry. Then to The Forum, Kentish Town, London (November 28, 29, 30); Point Theatre, Dublin (January 16, 17, 18); and Ardara, Manchester (Jan 19/20)

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ARTS

It is an occupational hazard of the critic to be asked to serve on the panel of one of the open-submission or prize exhibitions that have proliferated in recent years. The process of selection is always intriguing, stimulating and full of surprises, although tiring and exasperating too.

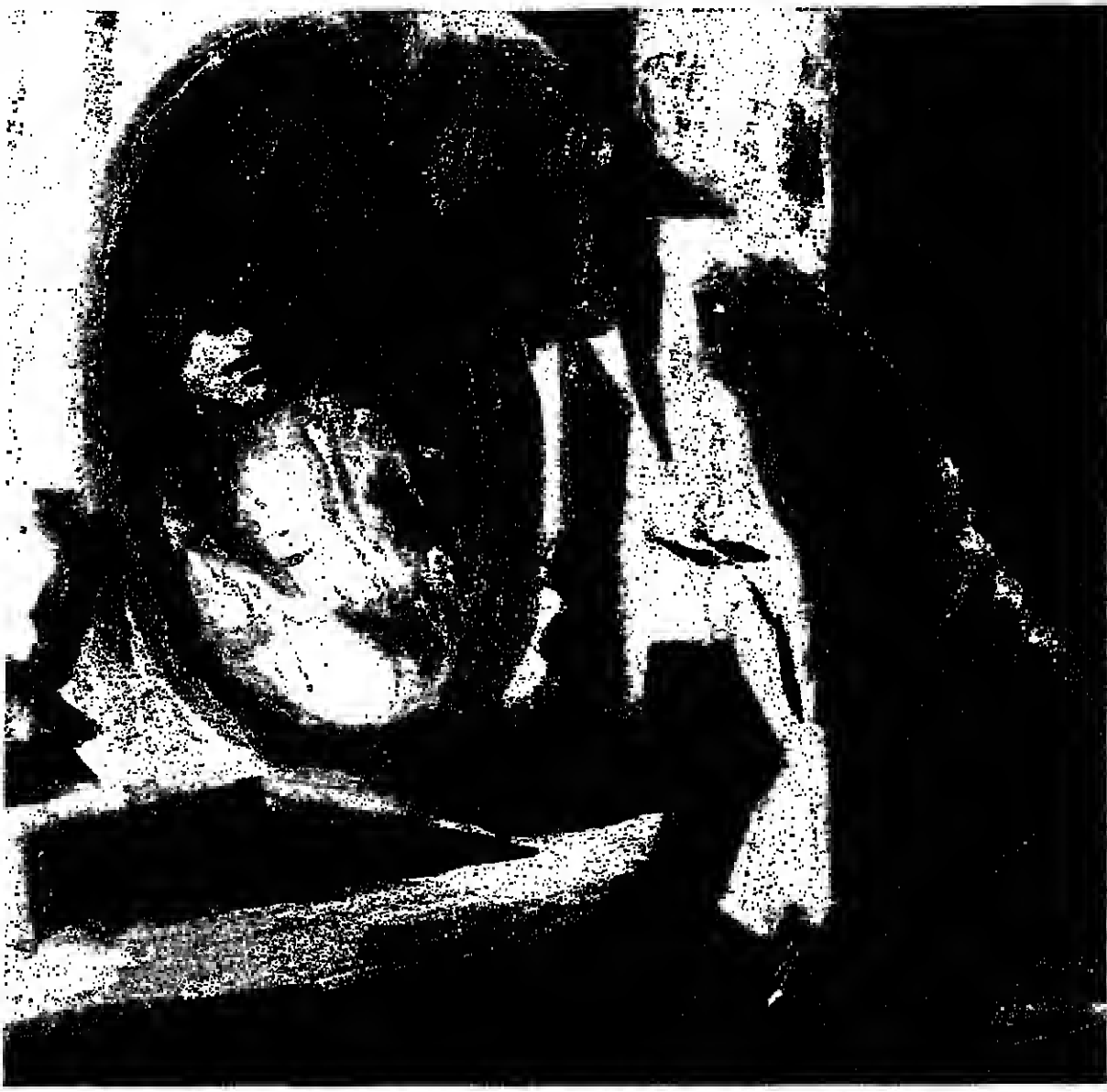
A couple of thousand pictures to consider in a day or two, which is par for the course, is no small thing, and one never knows what will come off the pile next. What so many apparently normal people are prepared to call their Art, and submit without embarrassment, is a source of constant surprise, alarm, even horror. But along with the positive frights there are always the positive treats, not just from the familiar and reliable but often from names that are quite unknown.

The Discerning Eye, at the Mall Galleries, is a prize exhibition unique in its insistence upon the open and personal accountability of each of its selectors for the work chosen for show. This is no committee job. As on its four previous occasions, the exhibition's six selectors - two artists, two collectors and two critics (of which I was one) - were set to look and choose.

As the work of the open submission passed before us, we chose, fought and squabbled entirely for ourselves, reserving what we wanted for our own bags. We had to be sharp-eyed, confident and quick, like any good shot, to get the best of a good bunch as it came over. Some would almost get away, until a single more discerning eye would say "hold on a minute. I'd like to hang on to that." And sometimes we could only look on in blank wonderment at a colleague's particular judgment - obscure, perverse, quite absent? "What on earth can you see in that?"

We were also asked to invite artists of our own choice to submit up to six works, of which we each would have the guaranteed first pick before offering the rest around. Finally, we were allowed to extend an invitation to particular artists and keep their submission entirely to ourselves.

So there it all is, up on the walls of the Mall Galleries.



"The Oval Mirror" by Stan Smith: what unites everything I have chosen, I believe, is the actual quality of the particular work

Drawn to choose

William Packer casts his 'Discerning Eye'

Each selector's choice has a wall to itself. Past prize-winners have the small North Gallery to themselves, while the current winners, though their winning entries remain within the selected sections, are given the larger East Gallery in which to show rather more of their work.

In making my own choice, I tried to cover a full range of work from straightforward representation - the landscapes of Dick Lee or

Colin Hayes and the expressionist figure studies of Stan Smith - to the rich but minimal abstraction of Trevor Sutton, or John Holden. In between are infinite gradations - the vigorous expressionism of Martin Fuller for example, the exquisite still-life studies of Elizabeth Blackadder, the darker domestic interiors of Susan Pye or the visual conceptual play of Jack Milroy. What unites everything I have chosen, I believe, is the actual

quality of the particular work.

To review the rest of the critical mass would be invidious. I shall name none but the panel responsible. The artist selectors were Derek Hill, portrait and landscape painter, and Leslie Worth, the most accomplished of water-colourists. The collectors were William Boyd the novelist, and Jonathan Watkins, curator at the Serpentina, who brought in with him a whiff of the sulphur

and brimstone of conceptualism and the avant-garde. The critics were Martin Gayford, of the Daily Telegraph, and myself.

We are all in it together, though whether for praise or blame is for you to discover. Would I go through it all again? Of course I would.

The Discerning Eye 1996: The Mall Galleries, SW1, until December 1; sponsored by HSBC Investment Bank and Browns Restaurants.

Television/Christopher Dunkley

The elephant on the floor

One day somebody should make a television documentary about the effects of having a television documentary made about you; specifically the type which uses the process known here as "elephant on the floor". The phrase is intended to convey a more honest picture than the misleading, but much used, tag "fly on the wall".

The first major series of this sort that I watched as a critic was *The Space Between Words*, five programmes produced by Roger Graef, working with cameraman Charles Stewart, shown on BBC2 in the spring of 1972. The subject was the way that people within different groups communicate, in a factory, a family, a school and so on. It was striking, seminal and memorable.

The trouble with the "fly on the wall" phrase is that it suggests the possibility of film-makers being as inconspicuous as the insect while they observe the activity inside a ship or a gasfire factory, when in fact even the smallest and stillest film crew sticks out like a sore thumb.

To be fair, Graef always avoided the fly analogy, explaining "We don't say 'This is just as it would have happened if we hadn't been there'. We say we put forward evidence gathered in conditions which minimise our effect". For him that meant long introductory periods when he and Stewart mingled with their subjects, then days or even weeks while Stewart pointed his camera with an empty magazine, the intention being that everyone should become accustomed to it, even bored by it. Finally they shot the programme using no lights, usually with Stewart hand-holding the camera.

Tomorrow Channel 4 begins a fascinating three-part series called *Red Base One Four* recording the key

events during a year in the life of the London Ambulance Service. Once again the camerawork is by Charles Stewart, though now he has a considerable reputation as a producer in his own right. He and Malcolm Hirst made the BBC series *Town Hall*, about local government, and they are again co-producers and co-directors on this new series.

The year they cover begins with another attempt by the LAS to instal a computer system in place of paper charts, the first attempt at computerisation in 1992 having ended disastrously with a return to paper. *Red Base One Four* shows the successful move to computers, the part played by the new chief executive Martin Gorham, the work of the ambulance crews, and the development and resolution of a dispute over the "stand by" system which requires crews to park at major road junctions and wait for emergency calls.

We know from previous series that programme-makers can achieve a high degree of authenticity when observing emergency procedures since those involved simply cannot afford the time to think about the camera. Sure enough, some of the most interesting material in this series shows the ambulance crews going about their daily - and nightly - business, trying to talk down a threatened suicide from Archway bridge, using lights and siren to carve a way through the London traffic, dashing into a house to find the patient has just died.

More eye-opening is the extraordinary patience extended to people who appear, to the layman, to be little more than lunatics, seeking a partner for a con-

versation by continually calling out the emergency services. That, presumably, is the relatively easy part of the job done by Hirst and Stewart. More difficult, because it reveals positions, touches sensitive relationships, and endangers ammunition, is the filming of meetings among members of management and trade unions during a dispute, in this instance the standby question.

The reason for wanting someone else to make a documentary about the effects of the first documentary is that watching this sort of revelatory material you always wonder what is said after the night of transmission when the workers learn what the managers really think about them ("The core problem is the buggers getting off their arses when the phone rings") and vice versa.

It has become clear over the years that there is no point in trying to assess the integrity of different documentary methods, only the integrity of individual programme makers. We trust Hirst and Stewart because of the body of work behind them, and it is clear in *Red Base One Four* that they earned the respect and confidence of people of all levels in the LAS.

Watch the BBC2 series *When Rover Met BMW* and you wonder repeatedly whether the same can be said of the people in their target organisations. The pity is that even the winning of that trust by Hirst and Stewart does not guarantee complete revelation. On the contrary, we never learn why Martin Gorham lost his job, and at the very end of the series it is anything but clear who has won the "stand by" dispute. Yet we do know an awful lot more about the working of the LAS.

Radio/Martin Hoyle

An outbreak of heavy breathing

The prevalence of asthma and related respiratory diseases in our congested and polluted little island is now making itself felt in the BBC. An outbreak of heavy breathing is spreading from Broadcasting House, deep, intimate panting that leaves the listener concerned for the survival for some of the brightest and best thespians in the profession.

Most affectingly, this epidemic has been heard in *Women in Love* on Radio 4. Elaine Feinstein's serialisation and Sue Wilson's production were first-rate, and it must be admitted that the heavy breathing, of a sort that you slam the telephone down on, was properly Lawrentian. The adaptation made the most of the radio medium with plenty of internal monologues, and even brought Lawrence bang up-to-date with hints of homo-erotic attraction between Gerald and Rupert - no more than what a modern sensibility can detect in much of Lawrence anyway. The two men, acted by Douglas Hodge and Nicholas Farrell, were splendid, never tipping into the sweaty portentousness that turks in Lawrentian philosophy (and physicality) for the unwary.

Clare Holman and Stella Gonet were slightly less convincing because of the class thing. Why do women find it harder than men to sound pre-Welfare State middle-class? Chirpy emancipated secretaries birds are not the same thing as the inter-war bourgeois intelligentsia.

There was another bout of the heaves that almost had me packing off a rescue parcel of Ventolin inhalers in last week's Saturday Playhouse, *Ethan Frome* was adapted by the game Michèle Wandor from a story by Edith Wharton, but this bittersweet evocation of doomed love that never spoke its name in rural America sounded more like a transatlantic *Cold Comfort Farm*. The usually excellent Cherry Cookson directed so that one could almost see hearts palpitating beneath black bombazine or possibly checked gingham; the usually excellent Lorelei King boomed out lines like "You took my pickle dish!" with the throbbing portentousness that Lady Bracknell traditionally reserves for her handbag. Wharton was a subtle and elusive writer, though you would never

guess it from the media treatment she receives here (viz TV's *Buccaneers*). Are the British convinced that their literary heritage has a monopoly on the delicate and oblique?

Delicacy is presumably the aim of the Hollywood star William Hurt, the third of last week's heavy breathers. He is reading the American *Shipping News* by J. Annie Proulx in the late book slot each night. An actor lugubriously sensitive to the point of tearfulness, on radio he has been given his head and occasionally gets so low, slow and soft that you want to leap to the radio and start cranking the handle as with a wind-up gramophone. Perhaps the intention is soporific: in which case it succeeds.

A word of gratitude for *The Merchant of Venice* (Radio 4, Monday) is tempered by the marvel, as with Dr Johnson's lady preacher, that it was done at all. But it seemed an odd choice, the least likely of Shakespeare's plays, possibly even unperformable, according to modern susceptibilities. The great Warren Mitchell ranted like a Jewish Alf Garnett (if such a thing is imaginable), a sadly unsubtle showing from an actor who once, in a television play some 30 years ago, created a Jewish-Hungarian adopted-cockney made-good socially - every single layer of whose history could be discerned in his accent like geological strata.

More to the point, on a related subject, was the beginning of Fergal Keane's new series, *No Man Is an Island*. Keane is the BBC's Hong Kong correspondent who last year caused such a stir with a moving letter to his new-born son Daniel. It was to be expected his thoughts on nationality and nationalism, race and cultural identity, would be finely judged, a clear-eyed mixture of the affectionate and gracefully regretful. So it was in his memories of a Catholic Irish childhood when, as he put it, he was willing to die for Ireland - at



"There are some lovely special effects, such as bubbles which contain real-life fairies when they come down to land, in Noble's filmed transplant of his Stratford 'Dream'"

The Dream on the screen

Michael Church talks to Adrian Noble about filming Shakespeare's play

It took Kenneth Branagh - first with *Henry V*, then with *Much Ado* - to show there was money in filming the Bard. Hollywood has now picked up the ball and is running with it: this year has seen three different versions of *Romeo and Juliet*, a Tarantino *Macbeth* in the pipeline, an erotic-thriller *Othello* starring Branagh, and a Branagh-directed, Branagh-starring *Hamlet* which is currently being cut down from four hours to two.

In London, people have been sticking closer to their theatrical roots. Trevor Nunn's film of *Twelfth Night* may not have sprung from a stage production, but it is cast from the cream of London theatre. Ian McKellen's film version of *Richard III* was an overt bid to preserve the performance he gave on the National Theatre stage. Peter Hall's most effective film to date is still his cin-

ematist's *Henry V*, which was filmed at Stratford and Peter Brook's best film was made from his Stratford *King Lear*.

So Adrian Noble's filmed transplant of his Stratford *Dream* is following a grand tradition. Here once more are Alex Jennings and Lindsay Duncan, as splendidly regal a pair as you could hope to meet. Here is the forest of yellow lightbulbs, and here the Magritte umbrella, now upturned and serving as the quilted bower in which Titania welcomes Bottom to her bosom. But this Bottom - Desmond Barritt, ineffable on screen as he was on stage - is now equipped with a real 1950s motorbike, rather than having to make do, as he did on stage, with just its sound.

There are some lovely special effects - hubbles which turn out to contain real life fairies when they come down to land, and all kinds of whimsical junk hurtling through space - but you

disapprove of the space that

the four walls of a studio. This is no bad thing: it feels honest. And at £2.5m, half from Channel 4, it has been a cheap project.

But Noble insists that it was not his intention merely to film his stage show. "This

'If the Bard were looking for a movie director for his late plays, he would offer them to Spielberg'

play deals with human imagination as no other play does: in a sense it was made to be filmed. But it occurred to me that that there was inside our stage production the kernel of a rather excit-

nia won't let him have that." Noble's quintessential dreamer is an 11-year-old boy. "Once I had settled on that, everything else fell into place." Played by Osbert Jones, this character ushers us first into a Pollock's Toy Theatre, and thence into a world drawing equally on *The Wizard of Oz* and the work of Steven Spielberg for inspiration.

"I think," says Noble, "if Shakespeare were looking for a movie director to do his late plays, he would offer them to Spielberg, because he would best understand the mixture of technical brilliance and wonder which is required. From the word go, I told all the actors that wonder was the crucial quality. 'I'll play the lion', 'I'll play a fairy', 'I'm going to fly'. I wanted the whole film to project this naivety."

When the film is shown at the Barbican this month (from November 29), the world will judge whether he

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James Morgan

Forgiven but never forgotten frontiers

Social life has become more stable since the fall of Communism, but freedom to move may pose a problem

Once again it is the seventh anniversary of the collapse of Communism somewhere or other. So again we are looking at the end of history plus seven. For a while, of course, it seemed as though history had suddenly been spooled backwards. The Yugoslav horrors occurred after the slab of Communism was lifted and etiolated beings emerged into the sun to commit mayhem. It was 1945 all over again.

Now the old Communists might at last be at the end of their political life, judging by the evidence of the elections in Bulgaria and Romania this month. And this year we have seen Romania and Hungary sign a treaty to end their bloodcurdling row over Transylvania.

This is quite a big step from 1989, when the fall of Communism unleashed expressions of racist and xenophobic sentiments. But now, outside Yugoslavia, there is at least grudging acceptance that the treatment of minorities and neighbours is a touchstone of civilisation.

Perhaps national frontiers may become those hardly noticed little block-houses where relaxed policemen just wave you through. Maybe. There was an interesting opinion poll in Poland the other day which was published by the Warsaw paper, *Rzeczpospolita*. It was about frontiers: Poland is a country that has had more frontiers than most and the matter is, therefore, always pertinent. One question was "Do you think Poland's frontiers will be changed?" More than two-thirds thought they would not be. About half the sample replied to the question "Which country do you think would be most likely to try to change them?" Nearly half of those who responded thought

Russia, the same number named Germany and a few said "Ukraine". Nobody asked the question that some might regard as the most interesting: "Do you think Poland should try to change its frontiers, and if so with whom?" That could have caused some trouble. So today the outlook is reasonably good. Stability and normality are winning. But this may not always be so. Paradoxically, the European Union could pose a problem. As Poland and the Czech Republic move closer to their western neighbours, so they will have to

accept the demands of various treaty clauses relating to freedom of movement and the right to live in other countries. What would happen if lots of Germans decided to buy "holiday homes" in Pomerania, Silesia and the Sudetenland? If anything could be designed to start history off again, it would be that. Fortunately or unfortunately, there is a precedent. One of the least noticed clauses in the Maastricht treaty was the right of Denmark to restrict the sale of property to foreigners. There may be those who find the prospect of owning a windswept cot-

tage in Silesia less than appealing, but nonetheless the Danes were terrified that hills of this province, halfheartedly fought over in the past, could be home to lots of Germans permanently on holiday. And so, seven years after the Iron Curtain came down, may we expect that in seven years, little iron curtains will be popping up again? And what if the French remember that a few hundred years ago much of the Dordogne was under English rule?

James Morgan is BBC World Service economics correspondent.

Lunch with the FT

The informal Shakespearean banker

Lucy Kellaway meets the chairman of NatWest bank

Lord Alexander unwrapped a Murray Mint, and gestured towards the pile of sweets in the back of his red Mercedes. "Do have one," he said. "We've also got chocolate limes," said the chauffeur, Jim, who was driving the chairman of the National Westminster Bank, the UK clearing bank, and me back from our lunch date in west London. I took a sweet and sucked it.

Over our two-hour lunch we had exhausted the obvious topics of conversation, and he seemed reluctant to engage in a fresh round of small talk. "I've got you your tape," said Jim, holding out an HMV bag containing a tape called "Hear my Song" by someone called Josef Locke.

Jim started to talk about the pros and cons of installing a fax machine in the car, when the carburene rang.

"Hello darling, are you alone?" said the voice on the other end. "We're just passing the Houses of Parliament," Lord Alexander said a little stiffly. She said something I did not catch, and he proceeded to spell it out: "I've got Lucy Kellaway here with me, I'm giving her a lift, so I can't tell you how it went." They talked for a bit; she seemed to be recounting a tale of woe, and he was giving her his full attention, making sympathetic noises. He said goodbye fondly and we drove on.

Lord Alexander evidently likes his third wife a great deal. He had mentioned her several times during our meal, and each time a slight change came over him. No longer did he seem like the punctilious chairman of NatWest, but like a thoroughly agreeable husband.

He had chosen to eat at the Belvedere, an airy restaurant in the middle of Holland Park, where his wife and he sometimes dine on summer evenings.

"I would like, please, a large bottle of still water and a bowl of ice to make it look like an event, and then a

glass of wine with a meal," he said to the waiter. The instruction was precise, spoken slowly in a rich plummy voice that left his origins as a mechanic's son far behind. I ordered a Kir Royale, feeling that iced water was not quite event enough.

"There is a SIB [Securities and Investments Board] meeting this afternoon on the vexed pensions review issue, and I think more than a glass of wine would be a disaster," I said, finishing his sentence.

"... misfortune," he corrected me.

He was, he said, "personally sceptical" about drinking at lunchtime, but had agreed to have one glass as this was a special occasion. "If we have guests in at the bank I might have a glass poured for politeness."

We looked at the menu. "I usually have the warm tartlet with caramelised onions and then deep fried filets of sole with sweet and sour sauce."

"So you're not on a diet," I said, crassly.

For a minute he seemed put out. "No, I'm not on a diet. Why?" I back-pedalled furiously, and he laughed. But only his mouth moved; his eyes were still.

I chose a fancy starter called salad of Mediterranean and winter ribbon vegetables with rosemary oil, followed by a blackened tuna steak.

"That sounds nice. It's the sort of thing my wife would have if she were here. Yes, Marie would have that."

Orders taken, I asked him why everyone hates banks. "First of all the unpopularity was overtaken during the recession," he said. He started to explain that contrary to popular belief, banks had actually worked hard to make sure small businesses did not go under. But I cut him off mid-flow. I wanted his view on what seems to be a fundamental dislike of banks and distrust of bankers. But he has never noticed such a thing. "I don't feel banks are everyone's

whipping boy," he said evenly. However, he did find that when he became chairman of NatWest seven years ago he got accosted by perfect strangers who held him personally responsible for the bank's every slip-up.

"You'd go out to dinner and someone would want to tell you their version of a horror story. I began by patiently listening, but I then got tougher and said: 'I'm sad you've had this experience. Why don't you write to me at the office.' But I do meet more and more people now who say that we are getting things right." He proceeded to list all the things he considered NatWest to be doing right.

One of the most dramatic changes at NatWest in the past seven years is that it now employs 27,000 fewer people. What was it like, I asked to lay so many people off? "We have tried to make the packages generous, and tried to make redundancies voluntary. We're trying very hard to do the downsizing in

You're expressing yourself if you work with your jacket off

a way that the unions recognise as fair."

I winced at the d-word, and wished that he would stop giving me the party line. How did it feel to fire so many people? To spend so long as a barrister, and then to move into management and discover that the main task was to fire people, must have been terrible. "I don't think anyone involved in the process enjoyed it," he said.

Obviously, I said, but did he ever wish he had not taken the job?

"Well," he paused for a bit. "That has to cross your mind. In the first couple of years there were other reasons for being doubtful as to



Shirt-sleeved informality; Lord Alexander has been at the helm during seven years of 'downsizing'

Lynne van der Meer

whether it was a wise career change. At the bar I'd been doing pretty well. But I had to start again in a different world. I would sometimes go home and say to Marie 'I feel I'm hanging on by my fingernails'. But the bank matters to a great number of people. Customers. Staff. So you quickly pick yourself up and get on with it."

As he spoke I found my eyes drawn towards his tie - it was scarlet with cartoons and the names of Shakespearean plays all over it. Otherwise he was dressed in the uniform of a well-behaved businessman (grey suit, blue shirt with white collar).

Are you fond of Shakespeare, by any chance?

He gave another of his deadpan smiles. "It's called a bull's-eye. This morning I thought which tie will I put on. I thought I'll put on the RSC tie because I'm very keen on it, and she may ask about it." He told me how he was chairman of development at the Royal Shakespeare Company.

Which is your favourite Shakespeare play? I asked.

"I think I'd go back to *Twelfth Night*. That was the first Shakespeare I acted in at school.

And which part had he played? "Oh," he said, looking embarrassed. "God! Er - Olivia." I made a remark about ties

being the only way in which men in his line of business could express themselves, and found myself in the middle of an unexpected controversy.

"I don't think that's true," he said politely but firmly. "I think you're expressing yourself if you work with your jacket off. People come into my room to talk about various issues. It's my job to make them as easy as possible. Shirt sleeves indicate an atmosphere of informality."

Indeed, the very reason he was having lunch with me was that he wanted to get this informal, approachable side of himself across. "Edward Townsend [head of ER at NatWest] said it would be a good idea to do this. He takes the view that it is desirable for us to show that the bank is human."

Apparently, his wife had thought otherwise, asking him that morning what on earth he thought he was doing. I said I wondered as much myself, but immediately regretted it. I was finding it hard enough to get Lord Alexander to relax without making him even more anxious about the interview. We chatted on our fish for a minute and then moved on to the less personal topic of British politics, and of Margaret Thatcher.

Is he a fan of hers? "I am.

If you look at what she inherited, and Britain now, it is a terrific tribute to her. The young generation of executives have greater ability to manage because we are not shackled by old-fashioned trade union thinking. I'm a Conservative, by the way."

"I gathered that," I replied. "From my conversation?" he asked, a look of alarm crossing his face. "I'm a Europhile and slightly wet on social issues. I regard myself as my own man. Look, I do not want to give the impression that I am a rabid Conservative."

I reassured him, and he went on: "It has been the Conservative agenda

over 17 years, that agenda has been successful, why give its management to another group of people whose agenda it wasn't originally. The logic was powerful - as one would expect from someone with his long years at the bar."

I asked if he thought Britain was becoming classless.

"I think it's better than it was. I believe that people from any background can succeed in any industry so long as they have the education. If I take myself, my parents saving got me into Cambridge. Going to the bar in the early 1960s was slightly frightening - most of the young people there had pri-

vate means. The oddity was that I was more conscious of it than they were. The bar has always been very meritocratic. They were very nice to me, but I was nervous."

Tell me about your garden, I said, gardening being listed as one of his two hobbies in *Who's Who*.

"My interest in gardening has got a bit overdone. I like planting, pruning, I like gardens. I'm not an expert. We've got a decent sized garden."

This was another potentially interesting conversation that did not quite get off the ground. But it did not matter now, because the meal was over and the car was waiting.



I am of the generation that was still brought up by stories in which little girls wore floral dresses, prepared the tea and settled unseemly rows between boisterous brothers by soothing words of wisdom. Disillusionment, or let us call it realism, set in early. A girl at my primary school called Becky used to thump anyone who would not give her an extra hotle of free milk. Her right hook perfectly captured the zeitgeist of the mid-1960s. Things were changing.

By the time of my adolescence, it was natural for men to preen and prance in lip-gloss and diamonds, while women wore... well, whatever they liked. The rules of sex and gender crumbled

by those who had been permitted nothing in their youth and forever resented the injustice of it all.

But it became ingrained in our heads that there was nothing in the world that men did from which women should be excluded: not running marathons, not joining the army, not drinking in fusty clubs in London's West End, and certainly not beating each other up.

Strange to see, then, that British sport is in such a froth over this week's decision of the Amateur Boxing Association to allow girls as young as 10 to train and fight under its rules. There are, it is said, special circumstances. Blows around the breast can produce lumps which are difficult to distinguish from cancerous growths. A medical adviser to the British Boxing Board of Control said that not

enough about the risks of boxing to all sentient beings to make a rational decision over whether to take part in this most monstrous of sports. Boxing kills. Just to press home the point, on the day that the ABA announced its decision, a young Italian boxer, Fabrizio De Chiara, was taken off a life-support machine after being nummed into brain-death in a middleweight bout.

Unfortunate coincidence? Not really: the young girls who are straining to jump into the ring have heard enough De Chiara stories to know that they risk paying a high price for their recreation. They do not need committees to pronounce on their welfare and best interests. I suspect they would rather be hit by a lump of leather than be patronised by middle-aged men.

It remains the case, however, that the world is run by men; and that there is nothing which so weakens a man as an attractive woman. This was amply illustrated this week with the news that Alessandra Mussolini, that famous granddaughter, was about to join Italy's far-right wing Tricolour Flame party.

Pino Rauti, the leader of the party, welcomed her fulsomely, explaining that she was "young, beautiful, passionate and bears a name which sends shivers down one's spine". There are shivers and shivers, but I think I know what he means. But right now, his new recruit is exploiting every asset in her possession, and good luck to her. The velvet glove of youth, beauty, passion on the one hand; the mighty clout of a frightening political heritage on the other. It is a fearsome combination; and not a floral dress

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INSTRUMENTS FOR PROFESSIONALS

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WEEKEND INVESTOR

Directors' share dealings

Table with columns: Company, Sector, Shares, Value, No of directors. Lists transactions for various companies like Black Arrow, Channel Holdings, etc.

Last week's interim results

Table with columns: Company, Sector, Year to, Profit, Total dividend. Lists results for companies like Adam & Harvey, Advent, etc.

In the Pink

There's money to be made in letting if you want it

Large investors should be turning to the private sector and watching its performance, writes Anne Spackman

Institutional investors are turning their backs on a sector which could produce returns of up to 15.5 per cent a year, according to Rob Thomas, housing analyst at Swiss bank UBS.

One-bedroom flats produce gross yields of around 12.5 per cent, but four-bedroom houses only around 6 per cent.

If they agreed to undertake some (or most) of their own maintenance. With people now moving more freely between the rented and owner-occupied sectors, he believes that many tenants would agree to such a deal in order to keep their rent down.

A period in rented accommodation. Many of the first-time buyers would also have been former renters.

This is the latest piece of research into a sector which is maturing rapidly. The Joseph Rowntree Foundation recently launched a quarterly index of rents and yields with the landlords' lobby group, the Association of Residential Letting Agents (Arla) has set up a finance and information package on buying-to-let.

The government created housing investment trusts (HITs) this year as a specific vehicle to encourage institutional investors, but the response has been poor.

The informal landlords, whose costs are low, are getting the best net yields at present.

Thomas argues, though, that what will ultimately attract investors is the performance of the sector itself, not whether HITs are successful.

His paper focuses on the crucial issue of the "yield gap" which has discouraged institutions from investing in the sector. He argues that, with the average gross rental yield now 10 per cent, the problem occurs only where the costs of letting and managing properties are too high, producing a low net yield. The key to closing the gap, he says, is to reduce the large landlord's costs.

Alternatively, the institutions could concentrate on identifying good investments for letting and financing the business, while the landlord (perhaps with an equity stake) would attend to the routine details of management.

Yet another possibility is that a housing association could be subcontracted to manage the property. Or, Thomas suggests, tenants could be offered lower rents-

house prices to fall. The return is calculated on the assumption that operating costs take 3.5 per cent from the gross yield. The net yields average around 6.5 per cent, which is a very similar figure to that produced in the Rowntree index.

Results due next week

Table with columns: Company, Sector, Date, Earnings, Dividend, Yield. Lists companies like Abacus Polar, Anglo Irish Bank, etc.

INTERIM DIVIDENDS

Table with columns: Company, Sector, Date, Earnings, Dividend, Yield. Lists companies like Amcor Industrial, Applied Holographics, etc.

Results due next week

Table with columns: Company, Sector, Date, Earnings, Dividend, Yield. Lists companies like Anglo Irish Bank, Ashbourne, etc.

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Highlights

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Northern opens fire

Northern Electric fired the first shot in its defence against CalEnergy's £750m hostile bid for the Newcastle-based electricity company.

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Weekend Investor

Wall Street

History sets the charts humming

And John Authers sees Big Blue roar back to revive memories of past glories

History is in the air in Wall Street. Remembrances of times past seem to spring from every chart, although much of the news ought to be irrelevant to 1996.

As one example, the issue of how to restructure the US financial services industry in the wake of the great banking collapse of the early 1930s returned to the top of the agenda. The Glass-Steagall Act, signed into law by President Roosevelt in 1933, remains nominally in force. Its effects included the split between commercial and investment banks, and tight limits on the services and products banks could offer.

Congressional leaders failed in their attempt to repeal Glass-Steagall this year. But this week's announcement, by a Treasury official, that he would make it easier for banks to underwrite securities and sell insurance aroused a furore on Wall Street, pitting different special interests against each other.

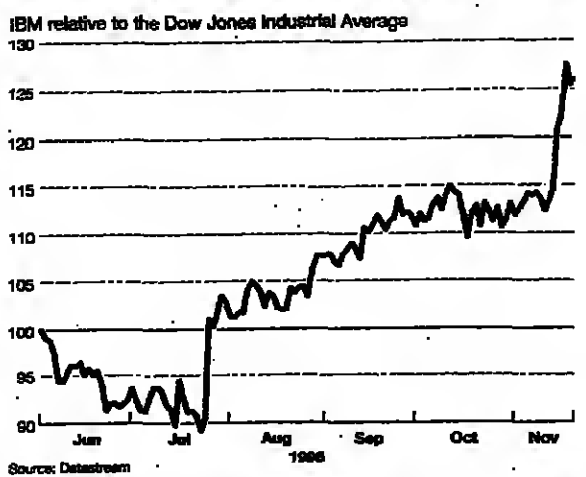
A quick look at the state of the US financial services industry might suggest that it has managed already to change itself utterly since the dark days of the great Depression. Try to use an automated teller machine in New York - and it will offer to sell you life insurance before giving you the option of withdrawing cash.

Then, too, rationalisation rapidly is bringing order to the chaos of America's huge number of small financial institutions, spawned by the regulations of the 1930s. Figures from the General Accounting Office published this week show that the number of banks and thrifts (roughly equivalent to building societies) in the US had fallen by a third over the past decade. The 14,417 banks in 1985 had reduced to 9,941 by the end of last year, while the number of thrifts fell from 3,626 to 2,028.

But still the debate over repealing legislation from 1933 raises the hackles.

Another old war-horse to corner attention is the Dow Jones Industrial Average, which has logged a series of all-time highs. Its streak of successive all-time daily highs finally stopped at eight on Monday this week

The Dow: heading for the Big Blue yonder



when the index retreated by 1.12 points, to 6,346.8. This left it four days short of the previous record of 12, which had - ominously - been set in the early days of 1987 during the bull market which ended in Black Monday.

This caused relief in Wall Street, as dealers who had only recently been selling on the fears that the economy was over-heating, or that the elections would put back the chances of deficit-cutting, had not been expecting such a strong spurt.

But yesterday morning's rally means the index should have logged 13 rises out of 15 days since the beginning of election week, and 11 all-time highs in 13 days since the day after the election, when the market took a dramatic step forward. These are impressive figures.

Yet, the blue chips of the Dow have not been supported fully by the rest of the market. The broader Standard & Poor's 500 hit a record on election day itself, and did so again in nine of 12 subsequent days, but it has not told the same dramatic story as the Dow.

Meanwhile, the Nasdaq index of smaller companies has missed out on the post-election boom. It was not until seven trading days after the election that it posted a new all-time high, and it then retreated.

The Nasdaq spent this week trading below its record level, of 170.36, topping this only narrowly yesterday morning.

The main leader of the Dow's rally is another blast from the past: Big Blue is

back. IBM's stock hit a new nine-year high at the beginning of this week, ushering it towards its highs of the early 1980s.

Its performance over the past six months, and particularly since the bottom of the stock market dip early in July, has been the single greatest factor in leading the Dow forward - as the chart, which maps IBM's performance compared with the Dow's own record-breaking run, shows.

But joy for IBM - which investors now believe has banished decisively its troubles of the early 1990s - is tempered. It seems to owe its recent strength to "momentum" investors who follow the money trail and invest in the stocks which are generating the most volume - a theory which is divorced worryingly from a company's fundamentals.

IBM's performance also has served to underline the main methodological flaw with the Dow - that the constituents in the index are unweighted, rather than being weighted according to their market capitalisation.

Hence IBM managed to account for 40 per cent of the index's rise on Tuesday. This could be yet more evidence that the Dow, now more than 100 years old, has become no more than an historical anachronism.

Dow Jones Ind Average

Monday	6346.81 - 1.12
Tuesday	6397.80 + 50.69
Wednesday	6430.02 + 32.42
Thursday	6418.47 - 11.55
Friday	

London

All eyes on the chancellor

But tax cut hopes are muted, writes Philip Coggan

Over to you, Ken. The health of the London stock market over the next few months will depend on what kind of Budget is delivered on Tuesday by Kenneth Clarke, the chancellor of the exchequer.

He has a fine line to walk in stock market, as well as political, terms. The markets are not politically neutral and would like the Conservatives to win the general election due by May. But while they would like voters to be pleased by the Budget, they are frightened at the prospect of an overly generous package that would stoke inflationary pressures.

The chancellor received some good news this week in the shape of a £4.4bn public sector surplus in October. This much better than expected figure, helped by a surge in tax revenues, greatly increases the chances of the government

rather left behind as Wall Street has surged to ever greater heights and European bourses repeatedly have notched up new peaks. It was probably inevitable at some point that London would try to catch up.

But Footsie's rally yesterday should not lead observers to conclude that all is well with shares in London. The condition of the overall market continues to give some concern. The week was dotted with a string of profits warnings from smaller companies.

It is hard to discern an industrial or sectoral pattern from the ones that were delivering the bad news: a retailer, Country Casuals; greeting cards group Fine Art Developments; synthetic materials group Forvair; engineering group Widney; insurance broker Nelson Hurst; circuit board supplier Forward; computer services group Meltek; coal mining group NSM; leisure group

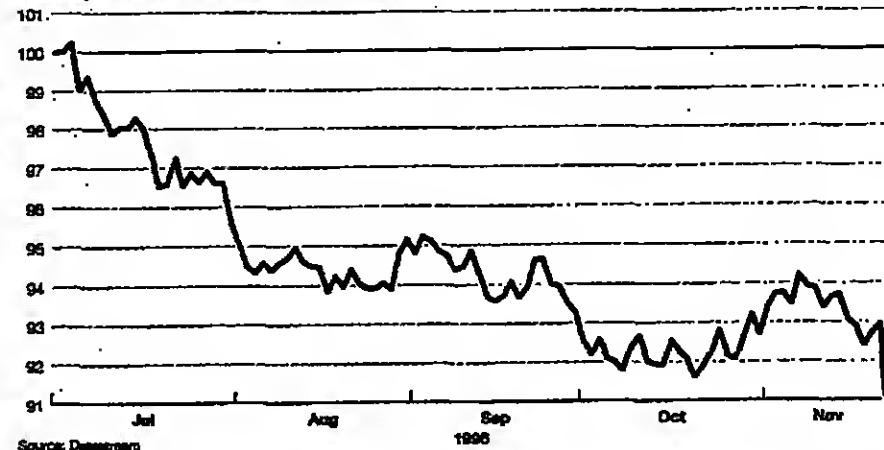
UK equities have been



Will all the travellers get there at the same time? The Kozel Collection

Whales beat the minnows

SmallCap Index relative to the FTSE 100 Index



Highlights of the week

	Price of day	Change on week	52 week High	52 week Low	
FTSE 100 Index	4018.7	+50.5	4073.1	3578.9	Late change in sentiment
Bolton	117 1/2	-12 1/2	173	95 1/2	Profits warning
Berlford	151 1/4	+33	224	102 1/2	Bid approach
British Gas	221 1/2	-22 1/2	267 1/2	171 1/2	Bid speculation continues
Country Casuals	77 1/2	-22 1/2	181	63	Profits warning
Eurotunnel Ltd	88	-4	117	62	Freight train fire
NSM	21	-30 1/2	93	19 1/2	Profits warning
Nelson Hurst	151	-37 1/2	206	141 1/2	Profits warning
PowerGen	589 1/2	+34 1/2	625	462	Strong utilities
FTZ Corp	981	+58 1/2	1080	867	Strong copper prices
Flatpack (p/pd)	37 1/4	+51	387 1/2	205	Brokers' upgrades
Sears	98	+5	108	85 1/2	Speculation over Freeman's disposal
Thorn	298	-51 1/2	410	282	Disappointing market returns
Widney	51 1/2	-13 1/2	131 1/2	47 1/2	Profits warning
Yorkshire Food	15 1/2	-4	92	11 1/2	Recent profits warnings



Barry Riley

Asian miracle takes a break

Many of the tigers have begun to look like pussycats

It has been a generally good week for the stock markets of the Asian "tigers", but there will need to be further positive price action if these dozens of the emerging markets are to restore their faded oriental glamour.

UK investors have for a long time depended on the Far East to add a little risky sparkle to their equity portfolios. It began with Hong Kong (Tokyo came later, and has now lost its appeal). These days, markets like Singapore, Thailand and Malaysia have become significant portfolio constituents.

For amateur investors, the purchase of a Hong Kong or Pacific Basin unit trust has usually been the first brave step towards portfolio exotica. As for the professionals, UK pension funds are heavily overweight in the region, with about 22 per cent of their total overseas equity assets in the Pacific Basin stock markets, excluding Japan.

This compares with just 6 per cent if they owned overseas equities in proportion to the standard world index country weightings. In contrast, most pension funds have only about 14 per cent of their overseas equities in the mighty US stock market, where an index

fund would have more like 47 per cent.

In effect, UK investors have made a huge bet that the exciting, young and fast-growing Asian tiger markets will outperform the dull old US. It is a bet that has gone horribly wrong during the past few years. But, rather than quitting the gamble, the fund managers are raising the stakes. During the third quarter, pension funds appear to have taken around \$500m out of the US and they have topped up the Pacific Basin modestly by perhaps another \$100m, extrapolating from fund statistics collected by the WM Company.

Certainly, Asian markets can display a tremendous turn of speed granted a fair wind. In 1993, the FT/SE/P Actuaries Pacific Basin (excluding Japan) index rose 84 per cent. But those impatient private investors will be conscious that the average Pacific Basin unit trust is no higher in price today than three years ago. Over that same period, the US stock market index has risen by 50 per cent. Ouch!

In fact, the tiger markets recovered quite well during 1995 after hitting a low point, but they have made very little further progress since February this year. A common theme has been a sharp slowdown in the

economic growth rate of the export-led Asian economies. GDP growth in the region was typically 8 or 9 per cent during the previous two boom years, but it has slipped to about 5 per cent in 1996 - a figure still high enough to cause the average European finance minister to weep with envy. Whereas

Rather than quitting the gamble, the fund managers are raising the stakes

export growth last year was often in the range of 20 to 30 per cent, this year it has crashed to under 10 per cent in countries as varied as China, Singapore and Thailand.

There are various reasons. Depressed Japan and continental Europe have been poor customers. And although the US has been quite buoyant economically, there has been a particular problem of over-supply in the commodity of semiconductors (especially memory chips) which are produced in such vast quantities in Asia. In fact, there appears to be a general over-capacity

problem. Then, too, this year's relative strength of the dollar has also posed problems for the tigers, most of which fix their exchange rates against the US currency. Not only have their exports become less competitive in Europe and, especially, in Japan (the dollar has risen by 40 per cent against the yen since mid-1995), but they have been forced to raise interest rates and squeeze their economies to maintain the dollar link.

This tightening has had knock-on effects on stock markets and property values, potentially exposing banks to bad debts. As Alan Butler-Henderson of ING Barings in Hong Kong points out in his latest review, *Tiger Talk*, countries with weak trade balances can suffer serious pain in these circumstances.

This has been a particular difficulty for Thailand, which some observers have regarded as offering the raw material for a 1994 Mexico-type financial crash. In tough economic conditions, the political framework can become unstable, too. General Chavalit Yongchaiyudh's emergence as the prospective prime minister after the weekend election knocked back the Bangkok stock market index by 8 per cent on Monday.

Right now, however, political fears are quiescent in the most vulnerable territory, Hong Kong, ahead of the transfer of sovereignty to China next June. Its stock market is traditionally sensitive to Wall Street, and the Hong Kong index is up by 25 per cent this year, making it actually a little stronger than the US. But Hong Kong is less of a play on export trends than on impenetrable Chinese politics and volatile local property values. It cannot be expected to perform in line with the rest of the region.

Generally, the tiger problem right now is that the investment fashion is for emerging industries, like biotechnology in the US, rather than for emerging countries. And south-east Asia has become a strongly cyclical region depending for its economic health on strong world growth.

Nevertheless, the region's underlying growth rate remains high, and it is just a question of waiting for another year like 1993, when the stock markets were looking forward to an imminent sharp acceleration in the global economic growth rate. But patience could be needed. For the moment, too many of those tigers have begun to look like pussycats.

Offshore managed funds and UK managed funds are listed in Section One

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